ANNUAL REPORT 2013

WSCC Workers' Safety & Compensation Commission | ᐃᓕᓴᕐᓂᐊᕐᓗᒍ ᐊᑕᐅᓯᒃᑐᓂᖅ ᐊᑐᕐᓇᖅᑐᑦ ᑲᑎᒪᔨᖏᑦ ᑐᑭᓯᓚᐅᖅᓯᒪᔪᑦ

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LETTER OF TRANSMITTAL

May 30, 2014

The Honourable George L. Tuccaro
Commissioner of the Northwest Territories

The Honourable Edna Elias
Commissioner of Nunavut

The Honourable Jackson Lafferty
Northwest Territories Minister Responsible for the Workers' Safety and Compensation Commission

The Honourable Keith Peterson
Nunavut Minister Responsible for the Workers' Safety and Compensation Commission

In accordance with Section 96 of the Northwest Territories and Nunavut *Workers' Compensation Acts*, it is my pleasure to present the Workers' Safety and Compensation Commission's (WSCC) Annual Report for the year ending December 31, 2013.

This is my first year as Chairperson of the WSCC's Governance Council. I am impressed with the level of collaboration between the Governance Council and the WSCC Senior Management Team. We jointly share the vision and responsibility of eliminating workplace diseases and injuries across the Northwest Territories and Nunavut, and we align in our strategies to ensure success. The WSCC commits to openness. This report provides us with the opportunity to connect to our stakeholders, and maintain accountability.

The 2013 Annual Report includes audited financial statements, a summary of past year activities, and a report on our progress towards achieving our goals. The Report goes beyond our responsibility for financial reporting; it connects our strategic priorities to our results.

Accompanying the financial statements is an actuarial opinion on the reasonableness of future pension and claims liabilities, and the adequacy of contingency reserves. We provide a management commentary for further insight into the WSCC's operations and finances.

I congratulate the Governance Council, employees, stakeholders, and WSCC partners on their continued dedication to serving our Stakeholders and creating safe workplaces in the Northwest Territories and Nunavut.

David Tucker
Chairperson

REPORT TO STAKEHOLDERS

"Our vision is to eliminate workplace diseases and injuries. To some, this may seem ambitious. To us, it is a definition of success."

- Dave Grundy, President and CEO, WSCC

MESSAGE FROM THE PRESIDENT

In 2012, the Workers' Safety and Compensation Commission (WSCC) entered a period of refined priorities and stakeholder commitment. We began an exciting time, a new three-year strategic plan, focusing on eliminating workplace diseases and injuries across the Northwest Territories and Nunavut. In 2013 we continued to deliver on the strategic and foundational priorities that guide us towards achieve our goals.

In the 2012 – 2014 strategic plan we revised our vision to reflect a new way of looking into the future. Our vision is to eliminate workplace diseases and injuries. To some, this may seem ambitious. To us, it is a definition of success. Our mission states: in partnership with stakeholders, we ensure workplace safety, and care for workers. This explains why we exist – it provides direction for our day-to-day activities.

One of our strategic priorities for 2013 was to advance the safety culture. We believe workplace injuries are preventable. Throughout 2013 we continued to work diligently with our partners, the Northern Territories Federation of Labour and the Northern Safety Association, to advance the safety culture for all workers and employers. We also implemented a directed services philosophy by using claims data to identify industries and employers with a higher number of workplace incidents and claims costs.

Continually improving services to our stakeholders was paramount in 2013. We launched the *Continuous Excellence* program, an initiative using Lean business principles to improve processes and customer service. In addition, we developed an eBusiness strategy to meet the Internet based self-service needs of stakeholders. We also launched a social media strategy to engage our stakeholders on Facebook and Twitter.

In 2013 we reviewed our funding strategy to ensure responsible stewardship of the Workers' Protection Fund. We will implement the resulting recommendations in 2014.

We are proud of our accomplishments in 2013. I am happy to present this 2013 Annual Report that confirms our accomplishments and activities for the year.

I look forward to a successful future as we work with employers, workers, and partners across the Northwest Territories and Nunavut to advance a strong safety culture and eliminate workplace diseases and injuries.

Dave Grundy
President and CEO

VISION

Eliminate workplace diseases and injuries.

MISSION

In partnership with stakeholders, we ensure workplace safety, and care for workers.

VALUES

Respect
We demonstrate care, compassion, honesty and fairness.

Engagement
We work with others to ensure meaningful participation and collaboration.

Integrity
We honour our commitments.

Openness
We are clear and transparent in everything we do.

Excellence
We are efficient and service focused.

STRATEGIC FOCUS

STRATEGIC PRIORITIES	
PRIORITY	**STRATEGY**
Advance the Safety Culture	• Increase directed services • Enhance education to foster a philosophy of safety • Partner on a proactive basis with stakeholders
Manage for Quality Results	• Confirm service excellence • Enhance organizational efficiencies and effectiveness

FOUNDATIONAL PRIORITIES	
PRIORITY	**STRATEGY**
Sustain the Workers' Protection Fund	• Provide responsible stewardship of the Workers' Protection Fund • Ensure alignment of the budgeting process with strategic priorities
Strengthen Human Resource Planning	• Ensure efficient human resource management • Embrace a culture of accountability
Ensure Access to Information and Reliable Technology	• Ensure technology supports a safety and care culture • Improve management reporting • Maintain security and privacy of information
Enhance Communications	• Align communications with the corporate vision • Improve internal and external communications

Continue Delivery of Services to Stakeholders

GOVERNANCE COUNCIL

A seven-person Governance Council, representing the interests of workers, employers and the general public, governs the WSCC.
The Governance Council is responsible for oversight of the WSCC's management, providing responsible stewardship of the Workers' Protection Fund.

The Governance Council oversees the WSCC according to the rules provided in the *Workers' Compensation Acts*, WSCC policies and Governance Council directives.

David Tucker, Chairperson

John Vander Velde, Nunavut Worker Representative, Vice Chairperson

Christopher Callahan, Nunavut Public Interest Representative

Arlene Hansen, Northwest Territories Employer Representative

David Ritchie, Northwest Territories Worker Representative

Jack Rowe, Northwest Territories Employer Representative

Abe Theil, Northwest Territories Public Interest Representative

The Governance Council directs and monitors the following accountabilities:

- Strategic direction;
- Programs and policies;
- Succession planning;
- Financial oversight and stewardship;
- Corporate performance management;
- Risk management;
- Material transactions;
- Communications; and
- Governance oversight.

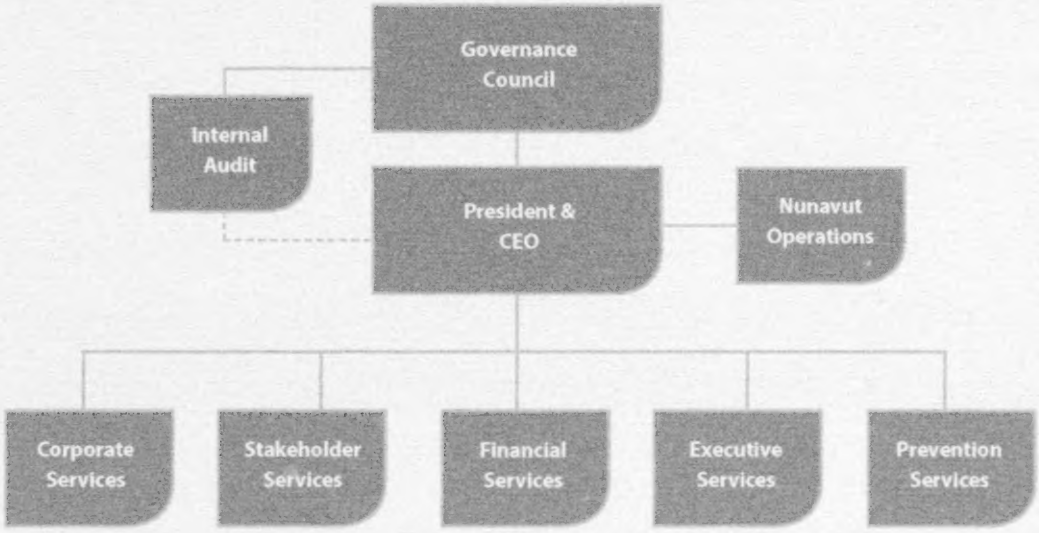
The President & CEO is accountable for the WSCC's operations and performance, according to authority delegated by the Governance Council. The President & CEO strives for the effective and efficient operation of the WSCC by establishing and achieving corporate performance goals and objectives.

From left to right: Arlene Hansen, David Tucker, Melanie Watters (Corporate Secretary/Senior Advisor), Dave Grundy, Jack Rowe, John Vander Velde, Robert Gatsuna (member as of May 2014), Abe Theil, David Ritchie

CORPORATE OVERVIEW

The WSCC administers the *Workers' Compensation Acts*, the *Safety Acts*, the *Mine Health and Safety Acts*, the *Explosives Use Acts*, and related regulations. Together, these *Acts* and regulations help protect and care for workers and employers in the Northwest Territories and Nunavut.

The WSCC assesses employers, sets assessment rates, collects revenues, pays compensation to injured workers, provides rehabilitation and medical aid and advances the safety culture across the Northwest Territories and Nunavut.



Corporate Services

Corporate Services provide vital human resources, facilities, records management and information technology services to all WSCC Divisions.

Human Resources recruits new employees, assists in providing employee training and lead the employee performance management process.

Facilities and Records Management ensure that WSCC properties are safe and healthy work environments and that the WSCC's filing system accurately archives and stores vital information.

Information Services provides multi-faceted information technology services throughout the organization.

Stakeholder Services

Stakeholder Services consists of Claims, Employer, and Medical Services. Claims and Medical Services contribute to the success of the WSCC's key service, the care of injured workers.

Claims Services works directly with injured workers and assist them throughout the claims and pensions process. They also provide return-to-work support to claimants and their employers, pay compensation benefits, and protect the integrity of the Workers' Protection Fund by investigating potential instances of abuse of the system. Medical Services provides technical expertise to WSCC staff, supporting efforts to get claimants back to work as soon and safely as possible.

Employer Services works with employers to ensure the accurate classification of employer businesses and receipt of employer assessments to the Workers' Protection Fund.

Financial Services

Financial Services consists of the Finance and Treasury and Procurement units, which together provide vital services in the maintenance of the WSCC's financial sustainability.

Finance monitors internal financial systems and controls, including banking and budgets.

Treasury and Procurement administer contracts, procurement, risk management, and the WSCC's investments and liabilities.

Executive Services

Executive Services consists of Policy and Corporate Reporting, Communications and the Review Committee. Policy and Corporate Reporting provides policy, corporate planning and data analysis on a range of issues, spanning the breadth of WSCC operations. They work with the Governance Council and President & CEO to set the WSCC's strategic plan and governance documents and provide ongoing reviews of the WSCC's corporate performance.

Communications creates and communicates the public image of the WSCC through marketing and community engagement. They promote awareness of WSCC services and work with all units to promote safe workplaces.

The Review Committee is the WSCC's internal review body. They provide the first level of review in the legislated appeals process. A claimant or employer dissatisfied with a decision of the WSCC may request a review under the *Workers' Compensation Acts*.

Prevention Services

Prevention Services is at the forefront of the WSCC's vision to eliminate workplace diseases and injuries across the North. Prevention Services consists of the Industrial and Mine Safety units. They complete safety inspections and incident investigations; offer safety education; monitor mine rescue programs; promote safety standards and regulations; identify and target unsafe work conditions; and provide guidance and share best safety practices with workers and employers.

Internal Auditor

The WSCC Internal Auditor is an employee of the WSCC who acts independently of other WSCC divisions and the President's Office. They report directly to the Governance Council. The Internal Auditor provides detailed financial and program audits of WSCC programs, making recommendations to the President, to ensure the effective and efficient operation of the organization.

Nunavut Operations

Nunavut Operations is the WSCC's Nunavut regional office located in Iqaluit. WSCC delivers Claims, Employer, Medical and Prevention Services to stakeholders throughout Nunavut from this office.

President's Office

The President's Office is the link between WSCC administration and the Governance Council. It includes the President, Corporate Secretary and Legal Services. This office ensures the communication of directions, decisions and requirements of the Governance Council, President and Northwest Territories and Nunavut Ministers responsible for WSCC administration.

Legal Services provides the WSCC with legal opinions and management of ongoing legal actions.

2013 YEAR-AT-A-GLANCE

TERRITORIAL DEMOGRAPHICS			
	NWT	Nunavut	Total
Population [1]	43,523	36,102	79,625
Number employed [2]	28,135	11,614	39,749
Average weekly earnings [3]	$1,205	$1,124	-

OPERATIONAL STATISTICS [4]			
CLAIMANTS	2011	2012	2013
Number of claims reported	3,893	3,764	3,995
Number of claims established	3,209	3,054	3,416
Number of lost time compensated claims	956	850	899
Number of work related fatalities	18	3	5
Number of new pensions	101	116	99
Average composite duration of time-loss claims	45 Days	42 Days	36 Days
EMPLOYERS	2011	2012	2013
Total number of assessable employers	3,664	3,737	3,855
Number of industry classes	8	8	8
Number of rate groups	24	22	20
Number of employers requesting additional optional coverage	532	517	513

[1] Statistics Canada. Table 051-0005 - Estimates of population, Canada, provinces and territories, quarterly (persons), CANSIM (database).
[2] Statistics Canada. Table 281-0024 - Employment (SEPH), unadjusted for seasonal variation, by type of employee for selected industries classified using the North American Industry Classification System (NAICS), annual (persons), CANSIM (database).
[3] Statistics Canada. Table 281-0026 - Average weekly earnings (SEPH), unadjusted for seasonal variation, by type of employee for selected industries classified using the North American Industry Classification System (NAICS), monthly (current dollars), CANSIM (database).
[4] WSCC Compensation Assessment and Accident Prevention System (CAAPS) Database.

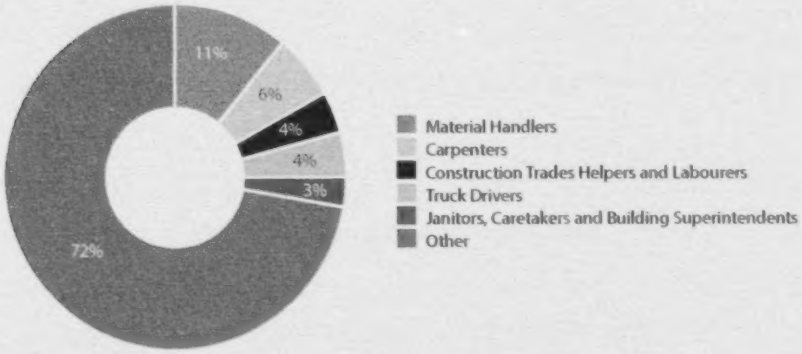
LOST TIME INJURY RATE	2011	2012	2013
Lost time Injury Frequency	2.36	2.13	2.21

The lost time injury frequency (LTI) is the number of lost time compensated injuries per 100 workers.

FINANCIAL INDICATORS	2011	2012	2013
Maximum annual insurable earnings (YMIR)	$82,720	$82,720	$84,200
Assessable payroll (in millions)	$2,443	$2,587	$2,554
Average provisional undiscounted assessment rate per $100 assessable payroll	$2.08	$2.08	N/A
Approved average provisional assessment rate per $100 of assessable payroll	$1.73	$1.77	$2.05
Actual average assessment rate per $100 assessable payroll	$1.76	$1.73	$1.90
Percentage funded	107%	107%	116%

2013 STATISTICAL SUMMARY

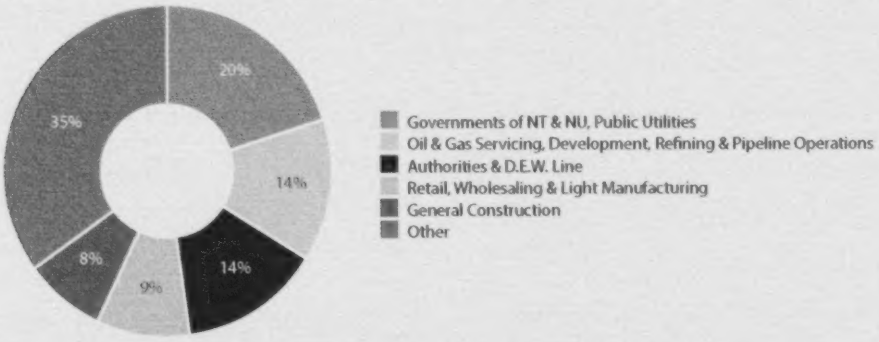
Top 5 Occupations with Time Loss Claims in 2013



The top five occupations with time loss claims in 2013 contribute to over one quarter of the total time loss claims at the WSCC. They include:

1. **Material Handlers: 11%**
2. **Carpenters: 6%**
3. **Construction Trades Helpers and Labourers: 4%**
4. **Truck Drivers: 4%**
5. **Janitors, Caretakers and Building Superintendents: 3%**

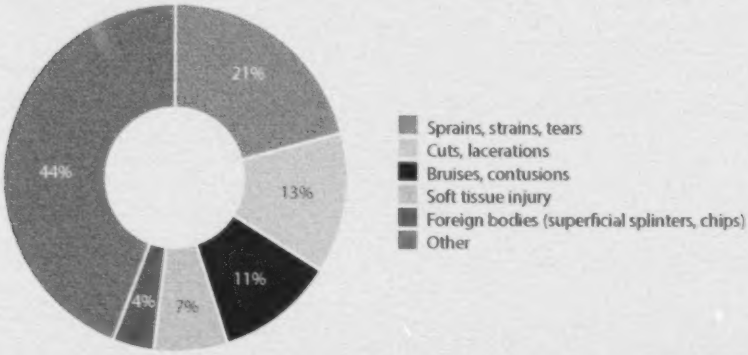
Top 5 Industries with Time Loss Claims in 2013



The top five industries with time loss claims in 2013 contribute to 65% of total time loss claims at the WSCC. They include:

1. **Governments of the Northwest Territories and Nunavut Public Utilities: 20%**
2. **Oil & Gas Servicing, Development, Refining, and Pipeline Operations: 14%**
3. **Authorities & D.E.W. Line: 14%**
4. **Retail, Wholesaling and Light Manufacturing: 9%**
5. **General Construction: 8%**

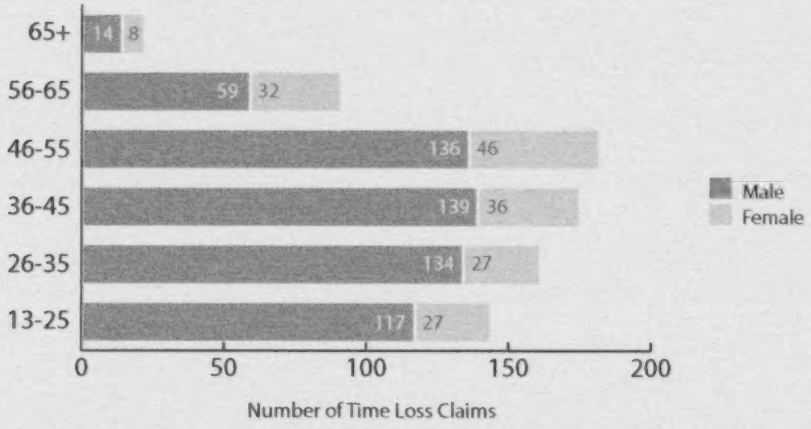
Top 5 Injury Types with Claims in 2013



The top five injury types with established claims in 2013 contribute to 56% of total claims at the WSCC. They include:

1. **Sprains, strains, tears: 21%**
2. **Cuts, lacerations: 13%**
3. **Bruises, contusions: 11%**
4. **Soft tissue injury: 7%**
5. **Foreign bodies (superficial splinters, chips): 4%**

2013 Time Loss Injury by Age & Gender



In 2013 males contributed to the majority of time loss claims, representing 77%. Workers under the age of 35 were the most vulnerable, representing 41% of total time loss claims.

2013 REVIEW AND RESULTS

Advance the Safety Culture

The WSCC's vision is to *eliminate workplace diseases and injuries*. To that end, a primary focus of the WSCC is to advance the safety culture, promoting a safe work culture in every workplace across the Northwest Territories and Nunavut.

Strategies:

- Increase directed services;
- Enhance education to foster a philosophy of safety; and
- Partner on a proactive basis with stakeholders.

The WSCC commits to provide Northern workers and employers with the necessary training and tools to create and maintain a culture of safety. We strive to prevent workplace injuries, illnesses and fatalities, with a strong commitment to safety and incident prevention.

Measures:

STRATEGIC PRIORITY	KEY PERFORMANCE INDICATORS	TARGET	2013 RESULTS
Advance the Safety Culture	Frequency of time loss and no time loss claims: • 1% decrease over prior 5-year average	<u>Time-loss</u> 2008 – 2012 avg: 2.34 Target: 2.32	2.21
		<u>No Time-loss</u> 2008 – 2012 avg: 5.52 Target: 5.47	6.21
	Fatalities as a percentage of the workforce (excluding disease-related fatalities)	0%	5 fatalities out of 39,190 workers = 0.01275%
	Percentage of Safe Advantage employers in a neutral or refund position[1]	73%	59%
	Percentage of employers passing the *Safe Advantage Management Practices Questionnaire*	77%	73%
	Number of employer certifications or recertification under COR™[2]	New Certifications: 10 Recertification: 55	New Certifications: 13 Recertification: 78
	Number of employers and workers trained by NTFL	Employers: 77 Workers: 385	Employers: 74 Workers: 342
	Percentage of employers and workers who believe workplace diseases and injuries are preventable	Employers: 100% Workers: 100%	Employers: 98%[3] Workers: 92%

[1] Results for the Safe Advantage program are for the July 2012 – June 2013 year.
[2] Certificate of Recognition certification is an occupational health and safety program accreditation for industry employers.
[3] 2013 WSCC Stakeholder Survey.

In 2013, the WSCC:

- Taught 40 safety courses, reaching 540 students across 13 communities in the Northwest Territories and Nunavut;
- Applied a directed services philosophy to the inspection process by using claims history data to target high risk industries and employers;
- Worked with our partners by providing funding and training objectives to the Northern Territories Federation of Labour and Northern Safety Association; and
- Supported the success of the Safe Advantage program with a scheduled 5-year external evaluation of the program.

In 2013, Prevention Services taught 40 safety courses. These courses ranged in duration from one to three days. Training gave Prevention Services contact with 540 Northern students, representing both employers and workers across 13 communities in the Northwest Territories and Nunavut. The courses included:

- 31 English-language Supervisor Safety courses;
- 1 French-language Supervisor Safety course;
- 4 Occupational Health and Safety Committee courses; and
- 1 course each in Mould Awareness, Incident and Accident Investigation, Safety Awareness and WHMIS.

At the same time, our partners at the Northern Territories Federation of Labour trained 342 workers, representing 74 employers, on understanding the workers compensation system and return-to-work programs. In its efforts to develop and improve health and safety programs at workplaces in the North, the Northern Safety Association, another WSCC partner, provided COR™ certification to 78 employers throughout the territories, 13 of which were new certifications.

Safe Advantage is an annual WSCC experience rating program that rewards employers' culture of safety. Safe Advantage launched in 2007, with each cycle running from July to June of each year. Experience rating is a common feature of workers' compensation insurance programs across North America and around the world. It permits financial incentives for employers with proven health and safety management practices, low claims experience costs and positive return-to-work practices. Likewise, employers with poor safe work practices, high claims experience and poor return-to-work practices incur financial penalties. The net effect is a program that promotes desirable safety behaviours and minimizes the likelihood of undesirable behaviours.

The Safe Advantage program uses two methods to determine experience rating: claims experience and safe workplaces practices, as determined by a self-evaluated Management Practices Questionnaire that is verified through inspections by Safety Officers and Mine Inspectors. To ensure financial and administrative responsibility, Safe Advantage is only available to employers with a three-year average assessment of $40,000 or more. The $40,000 threshold ensures the costs of administrating the program do not outweigh the benefits. The program had 164 participating employers in 2012/2013.

As a part of the initial launch, an independent evaluation was scheduled for Year 5 of the program. The evaluation took place fall of 2013. The evaluation identified positive information about stakeholders' perceptions of the program, including:

- Relevance in accomplishing its goals;
- Alignment with WSCC's mandate;
- Success in increasing awareness of workplace safety; and
- Agreement the program did not result in claims suppression.

The evaluation also identified opportunities that will help direct the evolution of the program. They include:

- Simplifying the explanation of claims cost experience calculations;
- Streamlining the Management Practices Questionnaire and verification process; and
- Evaluating an experience rating model for employers who do not currently qualify for Safe Advantage.

Manage for Quality Results

As a responsible public agency of both the Northwest Territories and Nunavut, the WSCC commits to customer service excellence.

Strategies:

- Confirm service excellence; and
- Enhance organizational efficiencies and effectiveness.

Measures:

STRATEGIC PRIORITY	KEY PERFORMANCE INDICATOR	TARGET	2013 RESULTS
Manage for Quality Results	Average rates of reported satisfaction with process (employers and claimants)	Minimum of 75%	Employers: 88%[1] Claimants: 81%[1]

[1] 2013 WSCC Stakeholders' Survey

In 2013, the WSCC:

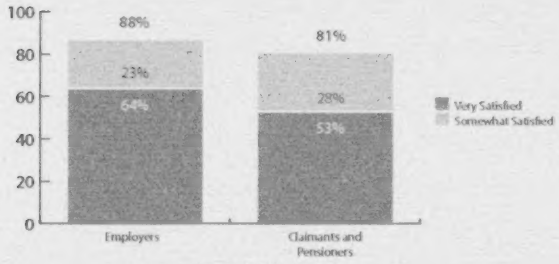
- Conducted a stakeholder survey focused on stakeholder knowledge of occupational health and safety, and WSCC service excellence; and
- Launched *Continuous Excellence* (CE), an initiative using Lean principles to improve business processes and stakeholder service.

In the fall of 2013, WSCC evaluated service to workers and employers with a stakeholder survey. The telephone survey, conducted by Leger Marketing in Edmonton, Alberta, contacted 400 employers and 800 claimants and pensioners throughout the Northwest Territories and Nunavut. The focus of the survey was to assess stakeholder knowledge of occupational health and safety and to gather detailed feedback on WSCC stakeholder service. The survey results provide measures for the WSCC's Balanced Scorecard, and help the WSCC properly focus resources to advance the safety culture, while providing exceptional service to workers and employers. This comprehensive survey repeats every three years to coincide with the strategic planning cycle.

Employers and workers (claimants and pensioners) were satisfied with the services they received from the WSCC, with 88% and 81% overall satisfaction with WSCC services, respectively. Both sets of stakeholders also strongly believe in the importance of creating safe workplace and preventing injuries, with 98% of employers and 92% of workers stating that workplace injuries are preventable.

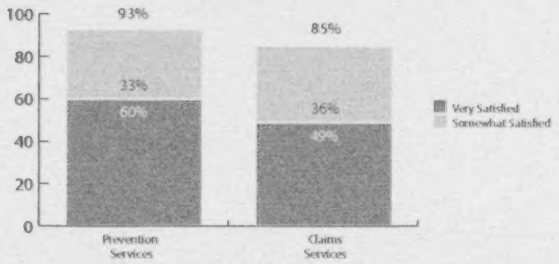
2013 Stakeholders' Overall Opinion of the WSCC

Percentage of Stakeholders Satisfied with WSCC's Overall Service



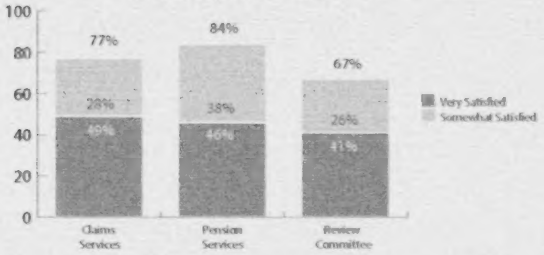
Source: 2013 WSCC Stakeholder Survey

Percentage of Employers Satisfaction with WSCC Services



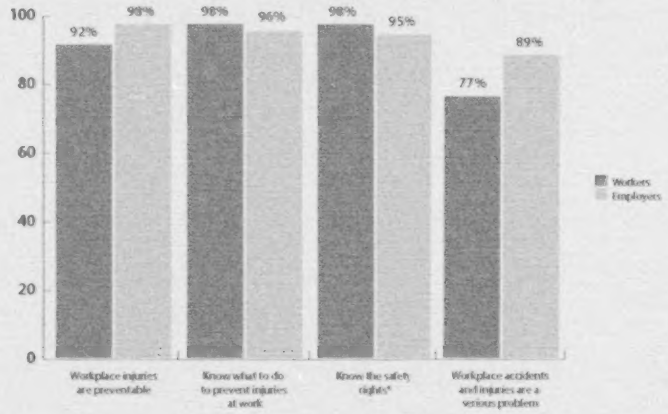
Source: 2013 WSCC Stakeholder Survey

Percentage of Workers (Claimants and Pensioners) Satisfied with WSCC Services



Source: 2013 WSCC Stakeholder Survey

Employers and Workers (Claimants and Pensioners) Safety Perceptions



Source: 2013 WSCC Stakeholder Survey
* The right to know, to participate, and to refuse unsafe work

Continuous Excellence

In its efforts to enhance organizational efficiencies and continually improve customer service the WSCC created and launched the *Continuous Excellence* (CE) program in 2013. The program adopts a culture of continuous improvement and applies Lean principles across business processes. The objective is maximizing flow and minimizing waste. By the end of 2013, WSCC developed a strategic plan to familiarize staff with Lean principles; developed internal expertise in Lean; created a three-year plan for CE projects; and provided Lean training to 80% of staff. The first CE project, reducing the time to first payment on time-loss claims, took place in Q4 2013. The WSCC will track the results in 2014.

Continuous Excellence
WorkSmart • WorkLean

Sustain the Workers' Protection Fund

The WSCC provides responsible stewardship of the Workers' Protection Fund, while meeting the needs of stakeholders.

Strategies:

- Provide responsible stewardship of the Workers' Protection Fund; and
- Ensure alignment of the budgeting process with strategic priorities.

The Workers' Protection Fund is funded by employer assessment premiums and returns on WSCC investments.

Measures:

FOUNDATIONAL PRIORITY	KEY PERFORMANCE INDICATORS	TARGET	2013 RESULTS
Sustain the Workers' Protection Fund	Percentage funded	108-120%	116%
	Average duration of lost time claims: 1% decrease over prior 5-year average	2008 – 2012 avg: 41.8 Target: 41.2	36.4 days
	Accounts receivable percentage due over 90 days: 1.5% decrease over prior year	2012: 12.1% Target: 10.6%	10.5%
	Bad debts as percentage of revenue	Max 0.65%	0.17%

In 2013, the WSCC:

- Worked with our contracted actuaries to develop a revised funding strategy;
- Increased Yearly Maximum Insurable Remuneration (YMIR) from $82,720 to $84,200; and
- Increased the provisional target assessment rate from $1.77 to $2.05.

To provide responsible stewardship of the Workers' Protection Fund, the Financial Services division and our contracted actuaries developed and recommended a revised funding strategy for Governance Council approval. The objective of the revised strategy is to provide a balance between maintaining the Workers' Protection Fund and providing stable, predictable rates for employers. The WSCC will implement the funding strategy in 2014.

In 2013, the WSCC implemented a 2012 Governance Council decision to increase the provisional target assessment rate and YMIR.

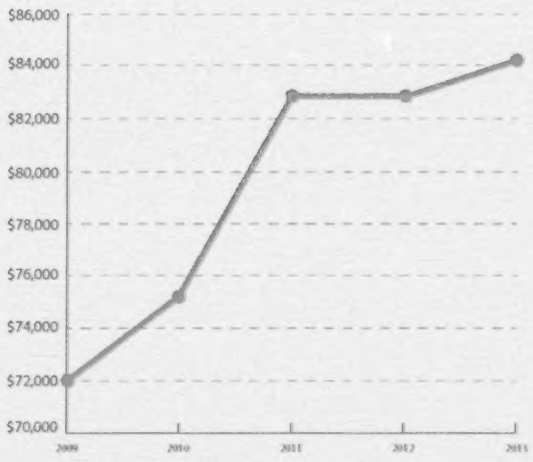
The 2013 provisional target assessment rate increased from $1.77 per $100 of assessable payroll in 2012, to $2.05, a sixteen percent increase.

The WSCC calculates workers' compensation and employer assessments using workers' actual annual income, to a maximum amount, YMIR. In 2013, YMIR increased to $84,200, up $1,480 from the 2012 YMIR of $82,720.

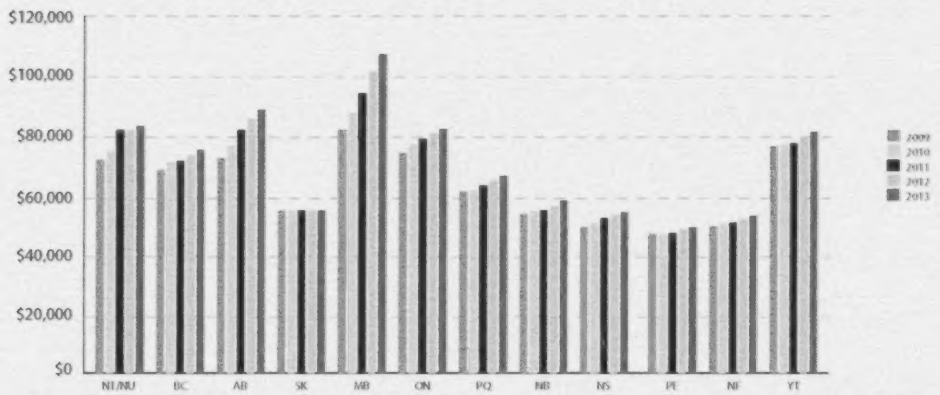
The Governance Council understands the challenges these increases place on employers across the North. However, these increases are necessary to ensure the WSCC remains fully funded, covers between 70–80 percent of Northern workers' actual income and provides responsible stewardship of the Workers' Protection Fund.

In 2013, the WSCC continued to have the third highest YMIR when compared to other workers' compensation boards across Canada.

Year's Maximum Insurable Remuneration
Northwest Territories and Nunavut 2009 - 2013



Year's Maximum Insurable Remuneration 2009 - 2013



Strengthen Human Resource Planning

As with all organizations, it is essential that the right people are in the right place at the right time. Being service focussed, our people are our greatest asset. We commit to strengthening our human capital.

Strategies:

- Ensure efficient human resource management; and
- Embrace a culture of accountability.

The WSCC developed a three-year strategic Human Resource Plan in 2011 which covers training, succession planning, performance management, recruitment, employee health and benefits and more. The WSCC ensures all HR practices align with this plan.

Measures:

FOUNDATIONAL PRIORITY	KEY PERFORMANCE INDICATORS	TARGET	2013 RESULTS
Strengthen Human Resource Planning	Percentage of employees (with more than one year of service) that demonstrate a rating of meet expectation on identified competencies	75%	66%[1]
	Retention rates *(excluding retirements)*: Exceed Government of NWT and NU rates	GNWT: 89%[2] GN: n/a	82%
	Employee Engagement Survey average employee ratings on job satisfaction	Minimum of 75%	62%[3]

[1] 2013 WSCC Employee Performance Assessment
[2] 2012 GNWT Retention Rate
[3] 2013 WSCC Employee Engagement Survey

In 2013, the WSCC:

- Redeveloped the Employee Performance Assessment Program; and
- Refined the Employee Development Program.

With the consultation of managers, Human Resources redeveloped and implemented a revised Employee Performance Assessment program. The redeveloped program identified core competencies and observable behaviours and created an electronic assessment tool for conducting performance assessments.

The WSCC Employee Development Program continues the strategy of having three categories of training available to staff:

1. Professional Development (PD): enables employees to access training dollars to remain current, interested and passionate about their work. PD training also allows employees to prepare for career advancement within the organization.
2. Mandatory Training: includes courses on Respectful Workplaces, Plain Language, and through our partner, NTFL, training on Understanding Workers' Compensation.
3. Support Training: provides additional training to support a learning gap or acquisition of a new skill, as identified on individual employee performance assessments. Priority is given to employees where support training has a direct impact on the organization or affects other employees within the organization.

Ensure Access to Information and Reliable Technology

To carry out our vision and mission, WSCC employees and stakeholders must have access to relevant safety information and reliable technology.

Technology continues to play a vital role in the WSCC's operations, supporting both external stakeholders service needs, in addition to internal stakeholders operational needs.

Strategies:

- Ensure technology supports a safety and care culture;
- Improve management reporting; and
- Maintain security and privacy of information.

Measures:

FOUNDATIONAL PRIORITY	KEY PERFORMANCE INDICATOR	TARGET	2013 RESULTS
Ensure Access to Information and Reliable Technology	Employer and worker satisfaction regarding access, reliability, and responsiveness of technology	Employers: Minimum of 80% Workers: Minimum of 80%	Employers: 62%[1] Claimants: 43%[1]

[1] 2013 WSCC Stakeholders' Survey. Employers and workers were surveyed on their satisfaction with our website.

In 2013, the WSCC:

- Developed an eBusiness Strategy for improved Internet based services to our Stakeholders;
- Continued the development of standardized management reports; and
- Implemented security programs based on external security assessment of the WSCC systems.

Based on 2012 and 2013 stakeholder survey results, there is a gap in the Internet based services the WSCC currently provides for stakeholders. In 2013, WSCC laid the foundation for an eBusiness plan by creating a five-year eBusiness Strategy. The strategy evaluates the current readiness of the WSCC to provide eBusiness and opportunities and recommendations for self-service Internet based implementations.

The WSCC conducted an external security audit of our systems in 2013 and implemented the resulting recommendations.

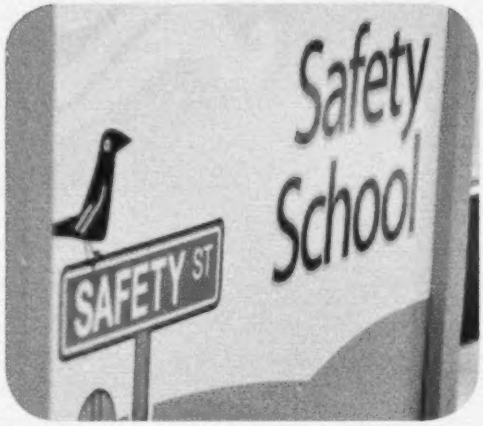
Enhance Communications

We are conscious of the importance of delivering clear, transparent, and relevant communications to both our internal and external stakeholders.

Strategies:

- Align communications with corporate vision; and
- Improve internal and external communications.

The WSCC commits to clear and timely communications with employees and stakeholders. The WSCC believes that, in order to achieve its vision, it is important to increase awareness.



Measures:

FOUNDATIONAL PRIORITY	KEY PERFORMANCE INDICATORS	TARGET	2013 RESULTS
Enhance Communications	Percentage of employers and workers reporting awareness of rights and responsibilities	Employers: 95% Workers: 95%	Employers: 99% Workers: 95%
	Percentage of participants in engagement events reporting: 1) An understanding of the topics and areas for discussion	1) 80%	1) 98%
	2) That they had opportunities to express their views and be heard	2) 80%	2) n/a

In 2013, the WSCC:

- Developed a social media strategy by launching a WSCC Facebook page and Twitter feed;
- Developed a French language strategy that complies with the GNWT Standards for French Language Services;
- Worked collaboratively across the organization and with our partners to participate in community events to promote safe workplaces.

To continue to engage with stakeholders in relevant ways, WSCC developed a social media strategy in 2013. This included the launch of a WSCC Facebook page and Twitter feed to service both the Northwest Territories and Nunavut. The WSCC delivers content in both English and French to communicate timely information to our stakeholders, and provide a new forum for them to interact with the organization.

In 2013, the WSCC conducted a review of services and communication tools for the development of an *Official Languages Strategy*. The outcome of this was a five-year plan to comply with the GNWT Standards for French Language Services. To support this strategy, the WSCC created a Translator position to support in-house translations and the implementation of the five-year strategy.

Continue Delivery of Services to Stakeholders

In addition to the above priorities, our day-to-day operations continue, with our ongoing commitment to provide to our stakeholders with quality service, and the underlying operations necessary to support our *safety and care* mandate. Every WSCC employee works towards our vision to *eliminate workplace diseases and injuries.*

100 Years Of Meredith

2013 marks 100 years since Sir William R. Meredith tabled his Workers' Compensation report to the Ontario Legislature. From this report emerged the Meredith Principles which are the tenets upon which the Canadian workers' compensation systems were built.

The workers' compensation system is a historic compromise in which employers fund the system and provide shared liability for injured workers. In exchange, workers suffering from workplace injuries and diseases give up the right to sue their employers. The workers' compensation system is an important safeguard for Canadian workers injured at the workplace, providing them with treatments and benefits while they return to health and work.

The workers' compensation system is a stark contrast to what workers faced in the early 1900s when crowded factories and unsafe working conditions were common. When workers were injured, their families faced great economic strain, and were often left impoverished if the main breadwinners were unable to work. Injuries also impacted employers who were faced with the risks and uncertainty of litigation.

One hundred years after the introduction of the Meredith Principles, the workers' compensation system remains an essential part of Canadian society, contributing to social and economic stability, and positivity impacting the quality of life. These guiding principles are the core of the services and care the WSCC provides to workers in the Northwest Territories and Nunavut.

The Meredith Principles

1. No-fault compensation, which means workers are paid benefits regardless of how the injury occurred. The worker and employer waive the right to sue. There is no argument over responsibility or liability for an injury.
2. Security of benefits, which means a fund is established to guarantee funds exist to pay benefits.
3. Collective liability, which means that covered employers, on the whole, share liability for workplace injury insurance. The total cost of the compensation system is shared by all employers. All employers contribute to a common fund. Financial liability becomes their collective responsibility.
4. Independent administration, which means that the organizations who administer workers' compensation insurance are separate from government.
5. Exclusive jurisdiction, which means only workers' compensation organizations provide workers' compensation insurance. All compensation claims are directed solely to the compensation board. The board is the decision-maker and final authority for all claims.

OUR FINANCES

Workers' Safety and Compensation Commission
of the Northwest Territories and Nunavut
Financial Statements

December 31, 2013

MANAGEMENT COMMENTARY

For the year ended December 31, 2013

As part of the annual report, the management commentary provides additional insights into the Workers' Safety and Compensation Commission's (WSCC) operations and financial affairs. The following audited financial statements are integral to this analysis and should be read in conjunction.

Forward-looking Information

This report contains forward-looking information from which actual results may differ. This information contains assumptions about the future and is subject to risks and uncertainties. Forward-looking information includes, but is not limited to: WSCC goals, strategies, targets, and projections.

Risk and uncertainties about future assumptions may include: changing financial markets, industry and general economic conditions; legislation; accounting standards; appeals and court decisions; and other risks, known or unknown. The reader should be cautious about placing too much reliance on forward-looking information contained in this document.

Funding Policy

The *Workers' Compensation Acts* require that assessments be sufficient to finance the Workers' Protection Fund, enabling the WSCC to meet its liabilities. The WSCC's funding strategy strives to maintain a balance between providing benefits to injured workers and maintaining stable and affordable employer assessment rates. The WSCC must be fully funded (ratio of assets to liabilities), and has set a target range of 108 – 120% funded.

The WSCC maintains reserves as a means to sustain rate stability, safeguard against volatility in investment returns, and minimize the impact of a catastrophic event. The assessment rate revenue, in any given year, may fluctuate to allow the WSCC to maintain its funding target. The funded ratio as at December 31, 2013 was 116%, an increase of 9% over the ratio at December 31, 2012 and within the target range.

A funding strategy review, initiated in 2013, concluded early in 2014 and has been implemented for the 2014 fiscal year. Under the newly implemented strategy the WSCC's long term goal is to remain fully funded with a target funding ratio of 125%, which includes reserve funds.

Overview of 2013 Financial Results

The WSCC's total comprehensive income for 2013 was $28.2 million, compared to a comprehensive loss of $507 thousand for 2012. The dramatic improvement is due to increased revenues and reduced claims costs over 2012. Revenue increases totalled $18.9 million, the majority, or $15.2 million, from investments, with the balance of the $18.9 million increase, or $3.7 million, from assessment revenue.

The increase in investment income was attributable to strong market returns, primarily in equity investments, with US equities leading the way with returns of 45.93%. Overall investments returned 13.77%, well in excess of the expected long-term rate of 6.6%.

The 2013 assessment rates reflected an increase of 16% over 2012. That increase resulted from the removal of a long standing rate reduction that had previously been incorporated into the overall assessment rate. Removal of the rate reduction was critical to protect the WSCC's funded position which had deteriorated to a level outside the target range. Assessable payroll for 2013 was slightly lower than projected at the time of setting rates for 2013.

Lower injury costs for 2013 and favorable experience on prior year's injuries were the primary reasons for the reduction in claims costs.

The positive financial performance in 2013 enabled the WSCC reserves to grow to $47.4 million from $19.2 million in 2012. The funding strategy review will result in a change in the structuring of WSCC reserves. The WSCC will maintain the operating reserve, a catastrophe reserve, and a very minor capital reserve. The current investment fluctuation reserve and safety reserve will collapse into the operating reserve. Going forward the operating reserve will provide a safeguard against operating and claims cost fluctuations as well as investment income fluctuations. The catastrophe reserve will provide relief for items of a catastrophic nature. The intent of both reserves is to ensure stability for employer rates.

Forward Looking

The WSCC operates as a going concern. The funding strategy and annual rate setting process ensure the WSCC remains financially stable and sustainable. Maintaining the system, while balancing worker and employer needs, is paramount.

The strengthened financial position achieved in 2013 positions the WSCC funding ratio within its current target range. A change in actuarial standards for 2014 requiring the inclusion in the benefits liability of a component for latent occupational diseases, which have not been included to date, will have a negative effect on the WSCC funded ratio.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

May 22, 2014

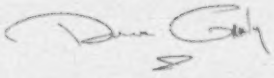
The accompanying financial statements of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut (the Commission), and all information in this annual report are the responsibility of the Commission's management and were reviewed and approved by the Governance Council. The financial statements were prepared in accordance with International Financial Reporting Standards and include some amounts, such as the benefits liability, that are necessarily based on management's best estimates and judgement. Financial information contained elsewhere in the annual report is consistent with that contained in the financial statements.

In discharging its responsibilities for the integrity and fairness of the financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are authorized and in accordance with the specified legislation, assets are safeguarded, and proper records are maintained.

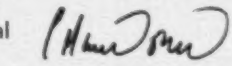
The Governance Council is responsible to ensure management fulfills its responsibilities for financial reporting and internal control. The Governance Council exercises this responsibility and is composed of Directors who are not employees of the Commission. The Governance Council meets with management and the external auditors on a regular basis. The external auditors have full and free access to the Governance Council.

The Auditor General of Canada annually provides an independent, objective audit of the financial statements for the purpose of expressing his opinion on these financial statements. He also considers whether the transactions that come to his notice in the course of this audit are, in all material respects, in accordance with specified legislation.

Morneau Shepell, an independent firm of consulting actuaries, performed an actuarial valuation and provided an opinion on the adequacy and appropriateness of the benefits liability of the Commission.



Dave Grundy
President and CEO



Leonard MacDonald
Vice-President of Financial Services

ACTUARIAL STATEMENT OF OPINION

MORNEAU SHEPELL

I have completed the actuarial valuation of the benefit liabilities of the Workers' Safety and Compensation Commission (the "Commission") as at December 31, 2013 (the "valuation date"). Details of the data, actuarial assumptions, valuation methods and results are included in the actuarial valuation report as at the valuation date, of which this statement of opinion forms part.

In my opinion:

1. The data on which the valuation is based were supplied by the Commission in accordance with specifications provided by us. We applied such checks of reasonableness of the data as we considered appropriate, and have concluded that the data are sufficient and reliable to permit a realistic valuation of the liabilities of the Commission.
2. The actuarial assumptions adopted in computing the liabilities are adequate and appropriate for the purpose of the valuation.
3. The methods used are appropriate for the purpose of the valuation and are in accordance with accepted actuarial practice for Workers' Compensation organizations in Canada. The economic assumptions are consistent with the funding and investment policies of the Commission.
4. The estimate of the actuarial liabilities as at the valuation date is $279,506,000. This includes provisions for benefits and future administration expenses expected to be paid after the valuation date for claims that occurred on or before the valuation date. This liability includes the Hunters & Trappers group but does not include any self-insured employers. A provision for future claims arising from long latency occupational diseases is not included in this valuation.
5. The amount of the actuarial liabilities makes appropriate provision for all personal injury compensation obligations (excluding long latency occupational diseases) and the financial statements fairly present the results of the valuation.
6. This report has been prepared, and my opinions given, in accordance with accepted actuarial practice in Canada.
7. The valuation is based on the provisions of the Workers' Compensation Act S.N.W.T. 2007, c. 21, the Workers' Compensation Act S.Nu. 2007, c. 15 and on the Commission's policies and practices in effect on the valuation date.

Thane MacKay, F.C.I.A

This report has been peer reviewed by Mark Simpson, F.C.I.A.

INDEPENDENT AUDITOR'S REPORT

Auditor General of Canada
Vérificateur général du Canada

INDEPENDENT AUDITOR'S REPORT

To the Ministers responsible for the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut

Report on the Financial Statements

I have audited the accompanying financial statements of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut, which comprise the statement of financial position as at 31 December 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

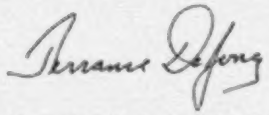
Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut as at 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

As required by the *Financial Administration Act* of the Northwest Territories and of Nunavut, I report that, in my opinion, the accounting principles in International Financial Reporting Standards have been applied, after giving retrospective effect to the change in the method of accounting for employee benefits as explained in Note 2(m) to the financial statements, on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut and the financial statements are in agreement therewith. In addition, the transactions of the Workers' Safety and Compensation Commission of the Northwest Territories and Nunavut that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part IX of the *Financial Administration Act* and regulations of the Northwest Territories and of Nunavut and the *Workers' Compensation Act* and regulations of the Northwest Territories and of Nunavut.



Terrence DeJong, CPA, CA
Assistant Auditor General
for the Auditor General of Canada

22 May 2014
Vancouver, Canada

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

(in thousands of Canadian dollars)

	As at December 31		As at January 1
	2013	2012	2012
	$	$	$
			Restated (Note 6(a))
ASSETS			
Cash and cash equivalents (Note 4)	**7,630**	4,233	425
Investments (Note 5)	**316,516**	286,012	274,809
Assessments receivable (Note 6(a))	**3,329**	3,449	4,320
Other receivables (Note 6(b))	**830**	1,136	2,130
Prepaid expenses	**193**	146	168
Property and equipment (Note 7)	**5,738**	5,966	5,509
Intangible assets (Note 8)	**2,312**	2,698	3,021
	336,548	303,640	290,382
LIABILITIES AND EQUITY			
Liabilities			
Accounts payable, accrued and other liabilities (Note 9)	**2,693**	3,021	1,975
Salaries and wages payable	**1,285**	1,047	1,009
Assessments refundable	**4,446**	4,169	3,329
Benefits liability (Note 10)	**279,506**	275,010	263,369
Post-employment benefits (Note 11(b))	**1,188**	1,183	983
	289,118	284,430	270,665
Equity (Note 12)			
Operating reserve (deficit)	**146**	(12,184)	(14,349)
Capital asset replacement reserve	**240**	4	301
Investment fluctuation reserve	**34,838**	19,628	13,853
Safety reserve	**100**	100	100
Catastrophe reserve	**12,106**	11,662	19,812
	47,430	19,210	19,717
	336,548	303,640	290,382

Commitments (Note 13), Contingencies (Note 14)

The accompanying notes form an integral part of these financial statements.

Approved by the Governance Council:

David Tucker
Chairperson, Governance Council

STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31 (in thousands of Canadian dollars)

	2013 $	2012 $ Restated (Note 2(m))
REVENUE AND INCOME		
Assessments	**48,793**	44,421
Add: Safe Advantage penalties	**571**	1,089
Less: Safe Advantage refunds	**(825)**	(745)
Net assessment revenue	**48,539**	44,765
Investments		
Interest	**3,255**	3,519
Dividends	**4,758**	4,736
Investment gains (Note 5(d))	**35,176**	15,017
Investment losses (Note 5(d))	**(4,610)**	—
Investment fees	**(1,023)**	(883)
Net investment income	**37,556**	22,389
	86,095	67,154
EXPENSES		
Claims costs		
Claims costs, current year injuries (Note 10(b))	**31,698**	32,942
Claims costs, prior years' injuries (Note 10(b))	**9,471**	20,165
Third party legal claim recoveries	**(858)**	(764)
Recoveries for hunters and trappers (Note 17)	**(188)**	(149)
	40,123	52,194
Administration and general expenses (Note 16) (Note 11(b))	**17,696**	15,412
	57,819	67,606
INCOME (LOSS) BEFORE OTHER COMPREHENSIVE INCOME (LOSS)	**28,276**	(452)
OTHER COMPREHENSIVE INCOME		
Items that will not to be reclassified to profit or loss in subsequent periods:		
Re-measurement losses on defined benefit plan (Note 11(b))	**(56)**	(55)
TOTAL COMPREHENSIVE INCOME (LOSS)	**28,220**	(507)

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended December 31 (in thousands of Canadian dollars)

	Operating reserve/(deficit) $	Capital asset replacement reserve $	Investment fluctuation reserve $	Safety reserve $	Catastrophe reserve $	Total $
Balance at January 1, 2012	**(14,349)**	**301**	**13,853**	**100**	**19,812**	**19,717**
Total comprehensive loss for the year (restated (Note 2(m))						
Loss for the year	(452)	—	—	—	—	(452)
Re-measurement losses on defined benefit plan	(55)	—	—	—	—	(55)
Transfer to investment fluctuation reserve – current year's gains	(12,014)	—	12,014	—	—	—
Transfer from investment fluctuation reserve – prior years' gains	6,239	—	(6,239)	—	—	—
Transfer from catastrophe reserve	8,150	—	—	—	(8,150)	—
Transfer to capital asset replacement reserve	(100)	100	—	—	—	—
Transfer from capital asset replacement reserve	397	(397)	—	—	—	—
Balance at December 31, 2012	**(12,184)**	**4**	**19,628**	**100**	**11,662**	**19,210**
Total comprehensive income for the year						
Income for the year	28,276	—	—	—	—	28,276
Re-measurement losses on defined benefit plan	(56)	—	—	—	—	(56)
Transfer to investment fluctuation reserve – current year's gains	(24,453)	—	24,453	—	—	—
Transfer from investment fluctuation reserve – prior years' gains	9,243	—	(9,243)	—	—	—
Transfer to catastrophe reserve	(444)	—	—	—	444	—
Transfer to capital asset replacement reserve	(236)	236	—	—	—	—
Balance at December 31, 2013	**146**	**240**	**34,838**	**100**	**12,106**	**47,430**

Capital management and reserves (Note 12)
Comparative figures (Note 19)

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended December 31 (in thousands of Canadian dollars)

	2013 $	2012 $
OPERATING ACTIVITIES		
Cash received from:		
Assessments from employers	**49,761**	47,221
Cash paid to:		
Payments to claimants or third parties on their behalf	**(35,178)**	(39,535)
Purchases of goods and services	**(17,872)**	(13,741)
Assessment rebate	**(825)**	(745)
Cash used in operating activities	**(4,114)**	(6,800)
INVESTING ACTIVITIES		
Proceeds on sale of investments	**288,300**	190,074
Dividends	**4,758**	4,736
Interest	**3,255**	3,519
Change in cash held by investment managers	**133**	(201)
Purchase of intangible assets	**(92)**	(153)
Purchase of property and equipment	**(472)**	(1,239)
Purchases of investments	**(288,371)**	(186,128)
Cash provided by investing activities	**7,511**	10,608
Increase in cash and cash equivalents	**3,397**	3,808
Cash and cash equivalents, beginning of year	**4,233**	425
Cash and cash equivalents, end of year	**7,630**	4,233

Comparative figures (Note 19)

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31 (in thousands of Canadian dollars)

1. Nature of operations

The Workers' Safety and Compensation Commission (the Commission) is domiciled in Canada. The Commission, a territorial entity, was established and operates under the authority of the *Workers' Compensation Acts* of the Northwest Territories and of Nunavut (the Acts). In addition, the Commission is also responsible for the administration of the *Safety Acts, Mine Health and Safety Acts*, and the *Explosives Use Acts* of the Northwest Territories and of Nunavut. The Commission is exempt from income tax and the goods and services tax.

The Commission has its corporate office in Yellowknife, Northwest Territories, Canada, and area offices in Inuvik, Northwest Territories and Iqaluit, Nunavut. The Commission closed the area office in Rankin Inlet, Nunavut on March 18, 2013.

The Commission's mandate is to provide benefits to injured workers and to levy assessments on employers to cover the current and future costs of existing claims. The Commission is also responsible for developing safety awareness programs and monitoring and enforcing safety practices in the workplace.

The Government of the Northwest Territories and the Government of Nunavut have signed an inter-governmental agreement for a shared Workers' Safety and Compensation Commission to allow the Commission to remain as a single entity serving both territories. Cancellation of this agreement by either party requires minimum notice of one full fiscal year.

2. Statement of compliance, basis of preparation and summary of significant accounting policies

The financial statements of the Commission have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements were authorized for issue by the Governance Council on May 22, 2014.

The financial statements have been prepared on a historical cost basis, except for investments classified as held-for-trading that have been measured at fair value. The financial statements are presented in Canadian dollars and all values are rounded to the nearest thousand ($000), except when otherwise indicated. The following is a summary of the significant accounting policies:

a) Liquidity classification

The Commission presents assets and liabilities in the statement of financial position in order of liquidity. When items contain both a current and non-current component the Commission discloses both components within the accompanying notes.

An asset is current when it is: expected to be realized or intended to be sold or consumed in the normal operating cycle; held primarily for the purpose of trading; expected to be realized within twelve months after the reporting period; or the asset is cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. Cash and cash equivalents, assessments

receivable, other receivables and prepaid expenses are current assets. All other assets are classified as non-current, except investments which have both a current and non-current component.

A liability is current when it is: expected to be settled in the normal operating cycle; held primarily for the purpose of trading; due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Salaries and wages payable and assessments refundable are classified as current liabilities. All other liabilities contain both current and non-current components.

b) Financial instruments

Investments

Investments are classified as held-for-trading and are measured at fair value because they are acquired for the purpose of selling in the near term. Profit or loss from changes in fair value is recognized as investment income in the statement of comprehensive income or loss. These financial assets are derecognized when the contractual rights to the cash flows from the asset expire, or the rights to receive the cash flows are transferred in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Interest and dividends are recognized as income in the period earned. Transaction costs are recognized as an expense in the period incurred. Purchases and sales of investments are recognized on the trade date.

Investments denominated in foreign currencies are translated into Canadian dollars at exchange rates prevailing at the end of the year. Interest, dividends, and realized gains and losses are translated at the exchange rates in effect on the transaction date. Exchange gains and losses resulting from the translation of foreign currency balances at year-end and transactions during the year are recognized as investment income in the statement of comprehensive income or loss.

Other Financial Assets and Liabilities

Cash and cash equivalents are classified as held for trading and are measured at fair value through profit and loss on initial recognition and transaction costs are expensed when incurred. Assessments receivable and other receivables are classified as loans and receivables and are initially measured at fair value, and subsequently measured at amortized cost using the effective interest rate method. Accounts payable, accrued and other liabilities, assessments refundable and salaries and wages payable are classified as other financial liabilities and are initially measured at fair value, and subsequently measured at amortized cost using the effective interest rate method. Due to the short-term nature of cash and cash equivalents, assessments receivable, other receivables, assessments refundable, accounts payable, accrued and other liabilities and salaries and wages payable, their carrying values approximate their fair values.

Derecognition of Financial Assets and Liabilities

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the rights to receive the cash flows are transferred in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. The Commission derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Fair Value Hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized using the following hierarchy of valuation techniques:

- Level 1 is used when there are quoted (unadjusted) prices in active markets for identical assets, for example:
    a) Traded on stock exchange.
    b) Notional unit values for segregated funds are established daily.
- Level 2 is used when there are other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly, for example:
    a) Valuations are based on appraisals of the properties that are based on observable market metrics, such as capitalization rates, growth rates, or lease rates.
    b) Bonds are traded over the counter rather than an exchange.
- Level 3 is used when there are techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Due to the short term nature of various financial assets and financial liabilities, the carrying value approximates fair value.

Changes in valuation methods may result in transfers into or out of an asset's assigned level. The Commission's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no such transfers between levels in 2013 (2012 – no transfers).

c) Cash and cash equivalents

For the purposes of the statement of cash flows and the statement of financial position, cash and cash equivalents includes cash and money market instruments which are readily convertible to cash. Cash and short-term investments held by investment managers for investment purposes are excluded from cash and cash equivalents.

d) Assessments receivable and assessments refundable

At the beginning of each year, the Commission levies assessments on employers by applying their industry assessment rate to their estimated payrolls for the year. The assessment levy is payable by instalments during the year. At year end, employers file a statement of actual assessable payroll and the difference between the estimated assessment and the actual assessment is recognized either as an increase in assessment revenue and recognized as a receivable, or as a decrease in assessment revenue and recognized as assessment refundable. When an employer does not provide estimated payroll, the Commission estimates and levies assessments using judgement.

Assessment revenue is recognized in the year that the actual assessable payroll was paid by employers to their employees.

Collectability of receivables is reviewed on an ongoing basis using judgement. An allowance for doubtful accounts is recorded for assessments receivable when there is objective evidence that the amounts due will not be collected in accordance with the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the estimated future cash flows. The amount of the allowance recognized or derecognized is recorded in the statement of comprehensive income or loss. The Governance Council must approve all assessments receivable write-offs.

e) Third party legal claims recoveries

Under section 64 of the Acts, the Commission is deemed to be an assignee of a cause of action in respect of a claimant's injury. If settled, or as a result of a Court decision, the legal costs and costs associated with the claim are deducted from the settlement. Any funds remaining will be paid to the claimant. This is over and above any future benefits entitlement.

Revenues received from third party recoveries are recorded when receipt of the revenues is virtually certain and the amount can be reliably measured. Legal costs and costs associated with the claim are recognized in administration and general expenses in the statement of comprehensive income or loss as incurred.

f) Property and equipment

Property and equipment are measured at cost less accumulated depreciation and impairment losses. Depreciation is recognized over the estimated useful lives using the straight-line method as follows:

Building	25 years
Equipment	2 – 6 years
Furnishings	5 – 10 years
Vehicles	5 years
Leasehold improvements	lesser of useful life or lease term

Where an item of property and equipment is comprised of significant components with different useful lives, the components are accounted for separately. Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Depreciation expense is recognized in administration and general expenses in the statement of comprehensive income or loss.

g) Intangible assets

Intangible assets are comprised of purchased and internally developed computer application software systems and are measured at cost less accumulated amortization and any accumulated impairment losses. Amortization is recognized over the asset's estimated useful life (2 – 15 years) using the straight-line method. Amortization expense is recognized in administration and general expenses in the statement of comprehensive income or loss.

h) Salaries and wages payable

Employee benefits that are expected to be settled within twelve months of the reporting date are measured on an undiscounted basis. These benefits include wages and salaries payable, sick leave and special leave benefits and annual vacation leave and lieu time earned but not yet used.

i) Benefits liability

The benefits liability represents the present value of expected future payments for medical aid benefits, compensation payments, and pensions in respect of claims arising from accidents that occurred prior to the end of the fiscal year. The benefits liability also includes an allowance for future claims management costs.

Many assumptions are required to calculate the benefits liability, including estimates of future inflation, interest rates, and mortality rates. The benefits liability is determined annually by an independent actuary. The independent actuary's opinion on the adequacy and appropriateness of the benefits liability is attached to these financial statements.

The benefits liability includes provision for all benefits provided by current legislation, policies, and administrative practices. In February 2011, the Actuarial Standards Board of the Canadian Institute of Actuaries issued new standards of practise for workers' compensation organizations effective for valuation dates on or after December 31, 2014, that requires their valuations to include an allowance for all recognized latent occupational disease claims expected to arise in the future as a result of past exposures. The Commission is currently assessing the impact that this standard will have on the financial statements. A provision for future claims arising from latent occupational diseases is not included in this valuation as it cannot be reliably measured.

A portion of administration and general expenses is allocated as claims management costs to the current year's claims and the prior years' claims. The amount allocated to claims is reviewed by the independent actuary for reasonableness as part of the annual actuarial valuation of the benefits liability.

j) Employee benefits

Pension benefits

Substantially all of the employees of the Commission are covered by the public service pension plan (the Plan), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Commission to cover current service cost. Pursuant to legislation currently in place, the Commission has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Commission.

Post-employment benefits

Under the terms and conditions of employment, employees may earn non-pension benefits for severance upon resignation, or retirement based on years of service and final salary, and ultimate removal assistance based on years of service. The benefit obligation is determined on an actuarial basis. The liability for accrued employee benefits is based on the December 31, 2013 actuarial valuation as calculated by the Commission's actuary. Any actuarial gains or losses are recognized as income or loss through other comprehensive income in the year they are incurred and any re-measurements are not reclassified to profit or loss in subsequent periods. The obligation for resignation, retirement and ultimate removal assistance is calculated using the projected unit credit method prorated on service.

k) Leases

Judgement is used to classify leases as financing or operating depending on the terms and conditions of the contracts. The costs of assets acquired under financing leases are amortized on a straight-line basis over the term of the lease. Obligations recorded under financing leases are reduced by lease payments net of imputed interest. Expenses incurred under operating leases are recognized as expenses in the statement of comprehensive income or loss on a straight-line basis over the term of the lease.

l) Impairment of non-financial assets

The Commission assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Commission estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to sell and its value in use. This is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Based on an analysis of cash flows, the Commission has established that the appropriate CGU for impairment review is the entity. The Commission has statuary power under the Acts to increase premiums and /or charge a premium surcharge to ensure full funding into the foreseeable future and impairment at the entity level is remote.

m) Changes in accounting policies and disclosures

IFRS 13 *Fair value measurement*

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value.

The Commission applied IFRS 13 prospectively in the current period in accordance with the transitional provisions set out in the standard. Application of IFRS 13 has not impacted the Commission's fair value measurements. Additional disclosures, where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

IAS 1 *Presentation of items of other comprehensive income – amendments to IAS 1*

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income. Items that will be reclassified to comprehensive income at a future point in time have to be presented separately from items that will not be reclassified. The Commission adopted these amendments in the current period, and they affect presentation only and have no impact on the Commission's financial position or performance.

IAS 19 *Employee benefits (revised 2011)*

The Commission applied IAS 19 (revised 2011) retrospectively in the current period in accordance with the transitional provisions set out in the revised standard. Under this revised standard, service cost and net interest continue to be recognized in profit or loss while remeasurements such as actuarial gains and losses are recognized immediately in other comprehensive income. Previously, remeasurements were recognized in profit or loss. This resulted in a $56 increase to administration and general expense and a $56 increase to remeasurement losses in 2013. In 2012, it was a $55 impact. Disclosures are provided in Note 11(b).

n) New and revised accounting standards and interpretations issued but not yet effective

IFRS 9 *Financial instruments*

IFRS 9 issued in November 2009, reissued in October 2010, and then amended in November 2013 will eventually form a complete replacement for IAS 39 *Financial Instruments: Recognition and Measurement*. The IASB has deferred the mandatory effective date and will decide upon a new date closer to the completion of the entire IFRS 9 project; however, early adoption is permitted. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The Commission is currently assessing the impact that this standard will have on the financial statements.

IAS 19 *Employee benefits*

In November 2013, the IASB issued amendments to IAS 19 *Employee Benefits* entitled Amendments to IAS 19, Defined Benefits Plans: Employee Contributions. The narrow scope amendments apply to contributions from employees or third parties to defined benefits plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service. The amendments are effective for years beginning on or after July 1, 2014 with early adoption permitted. The adoption of the amended standard is not expected to have a material impact on the Commission's financial statements.

3. Critical accounting estimates and judgements

The Commission makes estimates and judgements in respect of certain key assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the following notes:

- Notes 2(d) and 6(a) – Assessments receivable
- Note 7 – Property and equipment
- Note 8 – Intangible assets
- Note 10 – Benefits liability
- Note 11(b) – Post-employment benefits

In particular, information about applying critical judgements in accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in the following notes:

- Notes 2(d) and 6(a) – Assessments receivable
- Notes 2(f) and 7 – Property and equipment
- Notes 2(g) and 8 – Intangible assets
- Note 2(k) – Leases
- Note 5 – Investments

4. Cash and cash equivalents

The Commission invests in short-term money market instruments. The market yield of this portfolio for the year was 0.93% (2012 – 0.90%). All instruments held in cash and cash equivalents are readily convertible to cash and are held in high quality debt obligations issued or guaranteed by federal, provincial, or territorial governments, Canadian chartered banks, or loan or trust companies registered in Canada.

	December 31	
	2013	2012
	$	$
Short-term investments	**5,331**	2,676
Cash	**2,299**	1,557
	7,630	4,233

5. Investments

The Commission's investment portfolio consists of equity, fixed income, and real estate portfolio investments. The Commission's investment objective is to achieve a long-term rate of return that is sufficient to allow the Commission to fund its benefits liability, cover its operating costs, and set reasonable and stable assessment rates for employers. All investments, including cash and cash equivalents managed by investment managers, are designated as held-for-trading.

	December 31			
	2013		2012	
	Fair Value	**Cost**	Fair Value	Cost
	$	**$**	$	$
Equities	**150,679**	**127,320**	119,926	112,929
Fixed income	**121,620**	**112,174**	124,835	111,664
Real estate	**44,217**	**39,382**	41,251	37,719
Total	**316,516**	**278,876**	286,012	262,312

a) Fixed income investments

The fair value and cost of the fixed income investments are as follows:

	December 31			
	2013		2012	
	Fair Value	**Cost**	Fair Value	Cost
	$	**$**	$	$
Fixed income securities	**41,109**	**39,879**	43,930	41,300
Pooled funds				
Indexed bond funds	**50,060**	**50,130**	50,669	48,199
Mortgages	**30,451**	**22,165**	30,236	22,165
	121,620	**112,174**	124,835	111,664

The Commission uses judgement to classify securities held in a pooled fund on the basis of the assets comprising the major portion of such pooled fund.

Included in the above amounts are investments in privately held related party bonds, as disclosed in Note 17. The cumulative unrealized gains in 2013 on the privately held investments were $378 (2012 – $624).

The cumulative unrealized gains on fixed income investments are as follows:

	December 31 2013 $	2012 $
Fixed income – cost	**112,174**	111,664
Cumulative unrealized gains	**9,446**	13,171
Fixed income – fair value	**121,620**	124,835

The remaining term to maturity of the fixed income securities and indexed bond funds are as follows:

	Within 1 Year $	1 to 2 Years $	2 to 5 Years $	5 to 10 Years $	Over 10 Years $	**Fair Value December 31, 2013 $**	Fair Value December 31, 2012 $
Cash, short-term investments and net payable in investment manager accounts	2,492	-	-	-	-	**2,492**	2,464
Government bonds	-	5,370	1,123	7,725	9,175	**23,393**	29,395
Corporate bonds	40	710	8,891	1,029	4,554	**15,224**	12,071
Indexed bond funds	189	5,670	15,714	13,588	14,899	**50,060**	50,669
	2,721	11,750	25,728	22,342	28,628	**91,169**	94,599

b) Real estate

The Commission classifies securities held in a pooled fund on the basis of the assets comprising the major portion of such pooled fund.

The cumulative unrealized gains on the real estate portfolio investments are as follows:

	December 31 2013 $	2012 $
Canadian properties – cost	**39,382**	37,719
Cumulative unrealized gains	**4,835**	3,532
Canadian properties – fair value	**44,217**	41,251

c) Equities

The fair value and cost of the equity investments are as follows:

	December 31			
	2013		2012	
	Fair Value	**Cost**	Fair Value	Cost
	$	**$**	$	$
U.S. equities	**69,074**	**51,862**	47,507	42,381
Canadian equities	**48,404**	**43,421**	40,408	32,540
International equities	**33,201**	**32,037**	32,011	38,008
	150,679	**127,320**	119,926	112,929

Included in the International equities is $66 (2012 - $736) of cash that is held in Canadian funds and is included in Canadian equities in Note 15(e).

The cumulative unrealized gains on the equity investments are as follows:

	December 31	
	2013	2012
	$	$
Equity investments – cost	**127,320**	112,929
Cumulative unrealized gains	**23,359**	6,997
Equity investments – fair value	**150,679**	119,926

d) Investment gains and losses

The investment gains and losses recognized in comprehensive income are as follows:

	2013	2012
	$	$
Realized gains	**21,235**	7,169
Realized losses	**(4,610)**	-
Change in unrealized gains	**13,941**	7,848
Investment gains – net	**30,566**	15,017

e) Investment performance

Investments are managed by nine independent investment managers. The market returns of the portfolio for the years ended December 31 are as follows:

	2013	2012
U.S. equities	**45.93%**	15.79%
International equities	**28.86%**	17.64%
Canadian equities	**19.82%**	10.02%
Real estate	**7.19%**	10.32%
Cash and cash equivalents	**5.07%**	(1.76)%
Mortgages	**0.71%**	2.85%
Fixed income	**(1.60)%**	3.97%

f) Investment activity

The Commission's change in investments during the years ended December 31 is as follows:

	2013	2012
	$	$
Balance, beginning of year	**286,012**	274,809
Investment gains – net	**30,566**	15,017
Dividends	**4,758**	4,736
Interest	**3,255**	3,519
Transfer to short-term investments	**(75)**	(69)
Transfer to operating cash accounts	**(8,000)**	(12,000)
Balance, end of year	**316,516**	286,012

6. Assessments and other receivables

a) Assessments receivable

	December 31	
	2013	2012
	$	$
Current assessments receivable	**3,149**	3,265
Overdue assessments receivable	**296**	479
Less: allowance for doubtful accounts	**(116)**	(295)
Net assessments receivable	**3,329**	3,449

In 2013 management conducted a review of the year end revenue accrual process following the submission of employer payroll statements for 2013/2014. The review determined that to ensure information met management's needs and to improve transparency assessments receivable and assessments refundable should not be recognized on a net basis. This resulted in an increase to assessments receivable and assessments

refundable in 2012 of $2,912 (January 1, 2012 – $2,320). Further, this change resulted in a revised aging of assessments that are overdue but not impaired for an overall decrease of $12.

The Commission collected $128 (2012 – $125) of legislated prescribed penalties during the year on the receivables. The legislated prescribed penalty is charged at the rate of 2% per month on the outstanding balance. None of the assessments receivable, except for those included in the allowance, are considered to be impaired. The total bad debt expense recognized during the year is $83 (2012 – $9 recovery) which is recognized as an administration and general expense.

Aging of assessments that are overdue and not impaired

Year	31-60 days	61-90 days	91+ days	Total overdue
	$	$	$	$
2013	91	34	55	180
2012	76	33	75	184

Reconciliation of allowance for doubtful accounts

	2013	2012
	$	$
Carrying amount at the beginning of the year	**295**	353
Net debts written off during the year	**(265)**	(63)
Provision made during the year	**168**	116
Recoveries	**(82)**	(111)
Carrying amount at the end of the year	**116**	295

b) Other receivables

	December 31	
	2013	2012
	$	$
Due from claimants	**268**	422
Other	**208**	61
Hunters and trappers receivable	**188**	491
Receivable from other Governments	**107**	107
Due from employees	**40**	44
Pensions receivable	**19**	11
	830	1,136

Other receivables are non-interest bearing. None of these amounts are considered to be impaired.

7. Property and equipment

	Building $	Equipment $	Furnishings $	Vehicles $	Leasehold improvements $	Total $
Cost						
At January 1, 2012	5,692	1,602	272	344	802	8,712
Additions	4	420	76	-	739	1,239
Disposals	-	(293)	-	-	(721)	(1,014)
At December 31, 2012	**5,696**	**1,729**	**348**	**344**	**820**	**8,937**
Additions	48	92	36	-	296	472
Disposals	-	(76)	(35)	(36)	-	(147)
At December 31, 2013	**5,744**	**1,745**	**349**	**308**	**1,116**	**9,262**
Depreciation						
At January 1, 2012	1,130	1,077	129	219	648	3,203
Depreciation charge for the year	254	237	29	42	83	645
Disposals	-	(280)	-	-	(597)	(877)
At December 31, 2012	**1,384**	**1,034**	**158**	**261**	**134**	**2,971**
Depreciation charge for the year	255	231	35	27	122	670
Disposals	-	(72)	(23)	(22)	-	(117)
At December 31, 2013	**1,639**	**1,193**	**170**	**266**	**256**	**3,524**
Net book value						
At December 31, 2013	**4,105**	**552**	**179**	**42**	**860**	**5,738**
At December 31, 2012	**4,312**	**695**	**190**	**83**	**686**	**5,966**
At January 1, 2012	**4,562**	**525**	**143**	**125**	**154**	**5,509**

8. Intangible assets

	Purchased Software Systems $	Internally Developed Software Systems $	Total $
Cost			
At January 1, 2012	725	5,854	6,579
Additions	98	55	153
Disposals	(59)	(462)	(521)
	764	**5,447**	**6,211**
At December 31, 2012			
Additions	54	38	92
Disposals	-	-	-
At December 31, 2013	**818**	**5,485**	**6,303**
Amortization			
At January 1, 2012	362	3,196	3,558
Amortization charge for the year	142	334	476
Disposals	(59)	(462)	(521)
At December 31, 2012	**445**	**3,068**	**3,513**
Amortization charge for the year	141	337	478
Disposals	-	-	-
At December 31, 2013	**586**	**3,405**	**3,991**
Net book value			
At December 31, 2013	**232**	**2,080**	**2,312**
At December 31, 2012	**319**	**2,379**	**2,698**
At January 1, 2012	**363**	**2,658**	**3,021**

Included in internally developed software systems is the Compensation, assessment, and accident prevention system (CAAPS) which the Commission uses to process and maintain claims information and employer information including claims, assessments and safety reports. The net book value amount and remaining amortization period of this asset are $1,944 and 7 years respectively.

9. Accounts payable, accrued and other liabilities

	Current $	Non-Current $	2013 Total $	2012 Total $
Accounts payable	537	-	**537**	**573**
Accrued liabilities	1,826	-	**1,826**	**2,322**
Other	99	231	**330**	**126**
Total	2,462	231	**2,693**	**3,021**

10. Benefits liability

a) Future claims liability and approved pension liability

The benefits liability is composed of two parts: the future claims liability and the approved pension liability.

The future claims liability represents the present value of the expected future benefit payments on claims arising from accidents that occurred on or prior to the end of the fiscal year for hospital and medical services (Medical Aid), short-term income benefits and subsistence payments (Compensation), pension benefits for future capitalizations (Future Capitalizations), and related administrative expenses. Future Capitalizations represent an estimate of the liability for expected future pension awards that relate to injuries that have already occurred, but are not yet approved pension awards.

The Commission includes a provision for expected future claims costs for Hunters and Trappers in accordance with the Memoranda of Understanding on Renewable Resources Harvesters (September 2011 for the Northwest Territories and April 2009 for Nunavut) (Note 17).

The liabilities for the Medical Aid and Compensation benefits were developed using the loss development method. This method is also commonly known as the "claims run-off" approach. The liability for Future Capitalizations was developed using a modified version of the loss development method.

The approved pension liability represents the present value of the expected future pension awards payments and related expenses for approved pension awards as at the end of the fiscal year.

b) Benefits liability continuity schedule and reconciliation

The benefits liability is composed of the following:

	Medical aid $	Compensation $	Future capitalizations $	Pension awards $	**Total 2013 $**
Balance, beginning of year	48,812	36,959	27,176	162,063	**275,010**
Add: Claims costs					
Current year	9,841	13,367	7,091	1,399	**31,698**
Prior years	(2,207)	(2,456)	4,565	9,569	**9,471**
Liability transfer, capitalizations	-	-	(6,452)	6,452	-
	7,634	10,911	5,204	17,420	**41,169**
Less: Claims payments					
Current year injuries					
Claims payments	2,114	3,132	73	7	**5,326**
Claims management	951	1,409	7	1	**2,368**
Prior years' injuries					
Claims payments	4,149	4,783	3,281	11,289	**23,502**
Claims management	1,867	2,153	328	1,129	**5,477**
	9,081	11,477	3,689	12,426	**36,673**
Balance, end of year	47,365	36,393	28,691	167,057	**279,506**

	Medical Aid $	Compensation $	Future capitalizations $	Pension awards $	**Total 2012 $**
Balance, beginning of year	42,964	36,305	26,204	157,896	**263,369**
Add: Claims costs					
Current year	12,301	13,173	6,772	696	**32,942**
Prior years	4,910	351	3,682	11,181	**20,124**
Liability transfer, capitalizations	-	-	(4,881)	4,881	-
	17,211	13,524	5,573	16,758	**53,066**
Less: Claims payments					
Current year injuries					
Claims payments	2,415	3,127	89	27	**5,658**
Claims management	1,087	1,407	9	3	**2,506**
Prior years' injuries					
Claims payments	5,421	5,749	4,094	11,419	**26,683**
Claims management	2,440	2,587	409	1,142	**6,578**
	11,363	12,870	4,601	12,591	**41,425**
Balance, end of year	48,812	36,959	27,176	162,063	**275,010**

The expected claims payment for the benefits liability in 2014 is $25,707 (2013 - $25,635).

The following is an actuarial reconciliation of the changes in the benefits liability during the years ended December 31:

	2013	2012
	$	$
Balance, beginning of year	**275,010**	263,369
Add:		
Provision for current year's claims	**24,003**	24,778
Experience (gain) or loss	**(7,660)**	2,397
Interest allocated	**17,132**	17,727
	33,475	44,902
Deduct:		
Payments for prior years' claims	**(28,979)**	(33,261)
Balance, end of year	**279,506**	275,010

The Commission bases expectations of the costs of awarded pensions and the ongoing cost of Compensation and Medical Aid payments on the experience of prior years. The principal sources of the experience loss or gain are as follows:

	Increase (decrease) in benefits liability	
	2013	**2012**
	$	**$**
Actual inflation experience, which was 0.96% versus the expected 3.0% (2.4% versus 3.5% in 2012)	**(3,301)**	(1,722)
(Favourable) or unfavourable claims experience	**(6,064)**	2,661
(Decrease) or increase in the valuation of claims run-off factors for Compensation and Medical Aid benefits	**(502)**	532
Change in economic assumptions	**-**	425
Revised assumptions used in the Future Capitalizations liability	**2,207**	501
Total experience (gain) or loss	**(7,660)**	2,397

c) Objectives in managing risks arising from the Acts and policies for mitigating those risks

The Commission has an objective to control insurance risk, thus reducing the volatility of operating results. In addition to the inherent uncertainty of insurance risk, this can lead to significant variability in the experience gain or loss. The Commission's operating results are affected by market factors, particularly movements in investment values.

Key aspects of processes established to mitigate insurance risks include:

- The maintenance and use of management information systems, which provide data on the risks to which the Commission is exposed to at any point in time.
- Actuarial models, using information from the management information system, are used to monitor claims patterns and calculate premiums. Past experience and statistical methods are used as part of the process.
- The mix of assets in which the Commission invests is determined to achieve a long-term rate of return that is sufficient to fund the benefits liability. The management of assets and liabilities is closely monitored to attempt to match assets with the expected pattern of claim payments.

d) Terms and conditions of the Acts

The terms and conditions attached to the Acts affect the level of insurance risk accepted by the Commission. All insurance transactions entered into are in the same standard form and are subject to substantially the same terms and conditions under the Acts.

e) Concentration of insurance risk

The Commission's exposure to insurance risk is due to workplace injury caused through an event or disaster that occurred during the reporting period, and/or occupational diseases diagnosed during the reporting period. The Commission's benefits liability includes an amount estimated to cover any such occurrences. This figure is reviewed on an annual basis. The Commission's risk is concentrated by industry as some industries have higher claims experience costs than others. This is mitigated by higher premiums being charged to industries with proven higher experience costs.

f) Development of claims

There is a possibility that changes may occur in the estimate of the Commission's obligations over time. The tables in part (k) of this note show the Commission's estimates of total net and gross claims outstanding for each underwriting year at successive year ends.

g) Interest rate risk

The Commission is exposed to the risk that interest rate movements may materially impact the value of the benefits liability. The financial impact of changing interest rates on the benefits liability is expected to be offset in the longer term by similar changes in claims inflation.

The discount rates being applied to future claims payments in determining the valuation of the benefits liability are disclosed in part (i) of this note.

The exposure to interest rate risk for classes of financial assets is set out in Note 15(d).

h) Liquidity risk

The Commission's exposure to liquidity risk is set out in Note 15(a).

The following table estimates the expected amounts and timing of future benefit payments for the provision of outstanding claims. The expected timing of payments from the provision for outstanding claims involves considerable uncertainty. The projections presented below do not include a provision for future administration expenses or latent occupational diseases.

Expected timing of future payment for outstanding claims:

	2013	2012
	%	%
Up to 1 year	**4**	4
Over 1 year and up to 5 years	**13**	13
Over 5 years and up to 10 years	**14**	14
Over 10 years	**69**	69
Total	**100**	100

i) Actuarial assumptions and methods

The overall valuation approach is designed to reflect emerging trends without placing too much emphasis on temporary fluctuations. The factors used in the valuation have been developed on a best estimate basis by taking the Commission's historical experience into consideration along with recent trends in that experience. The general philosophy is to avoid reacting too strongly to temporary fluctuations until there is sufficient evidence that a change in assumption is required.

The Medical Aid and Compensation liability represents the present value at December 31, 2013 of expected future benefit payments for hospital and physician services, short-term income compensation payments, travel expenses, rehabilitation benefits and other eligible medical services under the Acts. The Medical Aid and Compensation liability is calculated using the loss development method also known as the "claims run-off" approach. In this method, historical paid claims data are summarized by accident year and payment year in order to observe the relationships between payments at different durations for each accident year. Historical factors, at each duration, are developed from prior accident years and are applied to accident years that are not yet fully mature in order to estimate the future timing and amount of remaining benefit payments.

The Future Capitalizations liability represents the present value of expected future pension awards that have not yet been approved as of December 31, 2013. These future pension capitalizations are in respect of all claims arising from accidents which occurred on or before December 31, 2013. The estimated number and timing of these future capitalizations has been developed based on the historical emergence of capitalized claims experience by accident year for the Commission. In addition, the expected cost of each capitalized claim has been developed based on actual pension awards approved prior to December 31, 2013.

The Approved Pension liability (pension awards) represents the present value at December 31, 2013 of all expected future pension awards payments, including future inflationary adjustments, to individuals who have been approved for a pension award at December 31, 2013. The Approved Pension liability is calculated on a seriatim basis using the discounted cash flow method. Pension benefits are indexed annually on January 1 of each year, this annual index rate is referred to as the Supplementary Pension Increase (SPI) rate. The SPI is determined by taking into account the average monthly change in consumer price index (CPI) Canada for the most recent July to June period. Mortality rates are used to determine the future life expectancy of individuals in receipt of a pension award. The actual gender and date of birth for all pension recipients is used in the

valuation. Pensions are payable to dependent children until age 19 or age 25 if attending school. The probability of a dependent child continuing to receive a pension award from age 19 to 25 is based on actual experience over the period 1999 to 2002. A projection of future pension payments requires that an explicit assumption be made with respect to the rate of award inflation. The present value of expected future pension payments uses a gross discount rate of 6.6%. The ultimate inflation assumption of 3.0% results in a net discount rate of 3.5% for years 2015 and thereafter. The use of the actual inflation rate of 0.96% for 2014 results in a net discount rate of 5.59% for that year only.

The following economic assumptions are used in the valuation of the Future Claims Liability: discount rate – 6.6% (2012– 6.6%), inflation rate – i) future capitalizations: 0.96% in 2014 and 3.0% per annum thereafter (2012 – 2.4% and 3.0%), and ii) Compensation and Medical Aid: 3.0% (2012– 3.0%) and mortality rates as determined by the 2000-2002 Statistics Canada General Life Mortality Table (2012 – 1995 - 1997).

The following economic assumptions are used in the valuation of the Approved Pension Liability: discount rate – 6.6% (2012 – 6.6%), inflation rate – 0.96% in 2014 and 3.0% thereafter (2012 – 2.4% and 3.0%).

j) Liability sensitivity

The most significant assumption in the determination of the benefits liability is the net discount rate. The net discount rate is the assumed discount rate in excess of the assumed inflation rate. A reduction in the assumed net discount rate would result in an increase in the actuarial present value of the benefits liability and an increase in comprehensive income.

Medical benefits represent approximately 18% of the benefits liability. An increase in the assumed excess medical inflation rate (above the assumed inflation rate) would result in an increase in the benefits liability for medical benefits and an increase in comprehensive income.

The Approved Pension liability takes into account the future life expectancy of each individual pensioner, surviving spouse or dependent child according to their age and gender. An improvement in the assumed mortality experience would increase the life expectancy of benefit recipients, thereby increasing the actuarial present value of the liability for approved pension awards benefits and increasing comprehensive income.

2013 **+/- % change on assumed rates**	**+1%** **$**	**-1%** **$**
Net discount rate	(25,576)	30,811
Excess medical inflation rate	4,524	(3,876)

2012 **+/- % change on assumed rates**	**+1%** **$**	**-1%** **$**
Net discount rate	(25,011)	30,466
Excess medical inflation rate	4,473	(3,845)

2013 **+/- % change in mortality rate**	**+10%** **$**	**-10%** **$**
Mortality rate	(4,462)	4,653

2012 **+/- % change in mortality rate**	**+10%** **$**	**-10%** **$**
Mortality rate	(4,400)	4,272

k) Claims development

The following table shows the development of claims cost estimates for the seven most recent injury years:

	Year of Injury							
	2007 **$**	**2008** **$**	**2009** **$**	**2010** **$**	**2011** **$**	**2012** **$**	**2013** **$**	**Total** **$**
Estimate of cumulative claim costs:								
At the end of the accident year	55,587	59,716	43,007	44,356	77,715	43,254	41,977	
One year later	49,674	52,229	39,782	44,743	70,852	39,738		
Two years later	43,292	49,107	37,745	39,278	69,454			
Three years later	42,069	50,445	36,584	37,733				
Four years later	43,966	46,236	36,581					
Five years later	43,582	45,658						
Six years later	41,922							
Current estimate of cumulative claims costs	41,922	45,658	36,581	37,733	69,454	39,738	41,977	313,063
Cumulative payments	16,516	17,200	12,831	13,819	16,557	9,524	4,904	91,351
Outstanding claims – undiscounted	25,406	28,458	23,750	23,914	52,897	30,214	37,073	221,712
Effect of discounting								(135,961)
Effect of administration expenses								21,570
2006 and prior claims								172,185
Amount Recognized on Statement of Financial Position								**279,506**

11. Employee benefits

a) Pension plan

Substantially all of the employees of the Commission are covered by the Plan, a contributory defined benefit

plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Commission. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. On December 14, 2012, Bill C-45 was enacted by the Parliament of Canada and lower contribution rates have been introduced for employees who joined the Plan on or after January 1, 2013. The general contribution rates effective at year end for employees who joined the Plan prior to 2013 and after January 1, 2013 were 15.088% and 11.979% respectively (2012 – 14.964%; N/A). Total contributions of $1,442 (2012 - $1,421) were recognized as expense in the current year and $70 (2012- N/A) of this amount relates to contributions under the new rates. For employees joining the Plan after January 1, 2013 the normal retirement age has been raised from 60 to 65 years.

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2% of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

b) Post-employment benefits

The Commission provides other benefits to its employees based on years of service and final salary. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. The cost of these benefits is accrued as employees render the services necessary to earn them. Liability for severance upon resignation, or retirement and ultimate removal benefits measured at the reporting date is as follows:

	2013	2012
	$	$
Accrued benefit obligation, beginning of year	**1,183**	983
Total benefit expense:		
Current service cost	**66**	55
Interest cost	**34**	36
Past service cost	**-**	160
Change in discount rate	**(53)**	57
Actuarial losses	**109**	(2)
Benefits paid	**(151)**	(106)
Balance, end of year	**1,188**	1,183

In 2013 the Commission applied IAS 19 *Employee Benefits (revised 2011)* retrospectively. This resulted in a decrease to salaries, wages and allowances and an increase to re-measurement losses on defined benefit plan in 2012 of $55.

The key assumptions used to calculate the accrued employee benefits are a liability discount rate of 3.75% (2012 – 3.00%) and a general wage escalation of 2.50% (2012 – 1.50%).

The expected contributions for 2014 are $193 (2013 - $240). The weighted average duration of the defined benefit obligation is 6.4 years (2012 – 7.8 years).

c) Post-employment benefits – liability sensitivity

The significant assumptions in the determination of the post-employment benefits are the discount rate and

the wage inflation rate. The discount rate is selected by reference to a spot curve at the valuation date of high-quality corporate debt instruments with cash flows that match the timing and amount of the expected benefit payments. Based on the spot rate yield curve of AA-rated corporate bonds at December 31, 2013 provided by NATCAN, the selected discount rate is 3.75% (2012 – 3.00%). A reduction in the assumed discount rate would result in an increase in the actuarial present value of the liability and an increase in comprehensive income. Wage inflation is determined by the negotiated collective agreement rate increases and is 2.50% for 2014 (2012 – 1.50% for 2013) and 3.50% for 2015. The long term wage inflation assumption of 3.00% for 2016 and beyond is considered to be Management's best estimate for long term salary growth. An increase in the assumed wage inflation rate would result in an increase in the liability and an increase in comprehensive income.

2013

+/- % change on assumed rates	**+1%**	**-1%**
	$	**$**
Discount rate	(65)	72
Wage inflation rate	54	(49)

2012

+/- % change on assumed rates	**+1%**	**-1%**
	$	**$**
Discount rate	(69)	77
Wage inflation rate	57	(52)

d) Employee benefits expense

The following table summarizes the components of the benefit expense recognized in the employer's share of benefits within administration and general expenses in the statement of comprehensive income for the respective plans:

Net benefit expense 2013	Post-employment benefits	Pension plan	**Total**
	$	$	**$**
Current service cost	66	1,442	**1,508**
Interest cost	34	-	**34**
	100	1,442	**1,542**

Net benefit expense 2012	Post-employment benefits	Pension plan	Total
	$	$	$
Current service cost	55	1,421	1,476
Interest cost	36	-	36
Past service cost	160	-	160
	251	1,421	1,672

12. Capital management and reserves

In accordance with Section 83 of each of the Acts, the Governance Council is responsible for approving the operating and capital budgets of the Commission, for approval of assessment rates for employers and benefits to workers, and for ensuring the proper stewardship of the Workers' Protection Fund. It is the objective of the Governance Council to ensure the financial sustainability of the Commission, while maintaining stability of assessment rates and benefits to injured workers.

The Commission maintains five reserves within the Workers' Protection Fund. All of these reserves are established by the Governance Council, and none are externally restricted.

As the Workers' Protection Fund includes all assessments from employers and amounts to be paid to injured workers, as well as the costs to administer the Acts, the Governance Council considers that capital includes all reserves of the Commission.

The Commission determines the funded position as total assets divided by total liabilities. This Funded Position (or net assets) represents the current funding status of the Workers' Protection Fund. The Governance Council's long term goal is to maintain a funded position at 108% – 120%.

At December 31, 2013, the Funded Position is 116% (2012 – 107%).

The Governance Council manages capital by monitoring all revenues and expenses through its budgeting and financial reporting processes, and by establishing assessment rates and an investment policy that maintain the funded status of the Commission and ensure the ability to care for injured workers.

a) Operating reserve

The operating reserve is intended to protect the Commission against adverse fluctuations in claims costs and investment results. The target level for the operating reserve is established after the target level for the catastrophe reserve has been determined. Assessment rates are adjusted to bring the operating reserve to its target level over a period of between two years and ten years, depending on the margin by which the operating reserve is above or below the target level. The tolerance range for the operating reserve is plus or minus 50% of the target level. If the reserve balance falls outside of this range, appropriate action is implemented with the goal of returning the reserve to the target level. The target range at year end was $5,707 to $17,121 (2012 – $6,047 to $18,141). The reserve is currently outside the target range, as such the Commission completed a rate assessment review in 2013 and the revised rates have been implemented for the 2014 year. The Commission completed a funding strategy review which will be implemented in 2014.

b) Capital asset replacement reserve

This reserve allows multi-year planning and is used to set aside funds for the purchase of property and equipment and intangible assets. The target level for the reserve is determined by the statement of funding approach.

c) Investment fluctuation reserve

The purpose of the investment fluctuation reserve is to recognize the annual gains and losses on investments on an even basis in the operating reserve over a period of five years. The target level for the reserve is determined by the statement of funding approach.

d) Safety reserve

The safety reserve was established to fund safety programs and is used to implement the Commission's safety strategy. The target level for the reserve is determined by the statement of funding approach.

e) Catastrophe reserve

The catastrophe reserve is intended to protect the Commission against a catastrophic event that results in a substantial increase in the Commission's benefits liability. The Commission established specific criteria to determine whether an accident or event meets the definition of a catastrophic claim. The target level for the catastrophe reserve is set at 300 times the 2013 Year's Maximum Insurable Remuneration (YMIR) of $84.20 (2012 – $82.72) less any approved catastrophic events. After the catastrophic event is approved the funding will be restored by using a uniform percentage adjustment to assessment rates over a period of two to ten years. The target level for the catastrophe reserve provides for the cost of a disaster. The Commission completed a funding strategy review in 2013 which will be implemented in 2014.

13. Commitments

Future minimum contractual payments as at December 31 on contracts for goods and services are as follows:

	Leased space	Equipment leases	Contracts	**Total**
	$	$	$	**$**
2014	1,230	66	3,708	**5,004**
2015	959	6	1,498	**2,463**
2016	928	6	362	**1,296**
2017	887	4	-	**891**
2018	822	-	-	**822**
Thereafter	2,300	-	-	**2,300**
	7,126	82	5,568	**12,776**

Every lease the Commission is currently entered into allows for renewal of the lease at current market pricing. There are no purchase options, contingent rents or escalation clauses included in the leases.

14. Contingencies

Actions taken against the Commission

In 2005, a worker filed a human rights complaint alleging that a Workers' Compensation Board policy discriminated against him on the basis of social condition. The complaint was successful, and the Workers' Compensation Board (now the Commission) appealed. The Supreme Court of the Northwest Territories heard the appeal in January 2012. In July 2012 the Court upheld the Adjudicator's decision. The Commission appealed this decision to the Court of Appeal which upheld the Supreme Court and Adjudicator's decision. The Commission will revise legislation and policy to include employment insurance benefits when calculating a worker's annual remuneration. The specific financial implications are being determined. The Court of Appeal also heard the worker's appeal regarding damages resulting from the discrimination. The Court referred the matter back to the Human Rights Commission for adjudication. The Human Rights Commission has not yet heard the matter and the outcome and any financial implications are unknown.

In 2011, a worker filed a human rights complaint alleging that the Commission discriminated against him on the grounds of disability. The Commission responded to the complaint on September 15, 2011. On July 24, 2013 the Tribunal rendered its decision and determined that the issue is complex and significant. The Tribunal directed the matter to proceed to a hearing. Further, the worker filed a second human rights claim against the Commission alleging that the Commission discriminated against him on the grounds of disability in 2013. The Commission has retained external legal counsel in regards to both complaints. The Commission also responded to the Tribunal on January 15, 2014 and is awaiting a response. The financial implications are not yet known.

In 2013 a worker filed a human rights complaint alleging that the Commission discriminated against him on the grounds of disability. The Commission responded to the complaint on February 7, 2014. The financial implications are not yet known.

In 2013 a worker filed a human rights complaint alleging that the Commission discriminated against him on the grounds of disability. The Commission responded to the complaint on February 3, 2014. The financial implications are not yet known.

Actions initiated by the Commission

On September 22, 2011, an Arctic Sunwest floatplane was attempting to land when it crashed in Yellowknife, NT, killing two and injuring seven. The Commission has proceeded with third party action against Arctic Sunwest for the injured workers under the Commission's jurisdiction. The financial implications are not yet known.

On August 20, 2011, a First Air charter flight approaching Resolute Bay, NU crashed, killing twelve people and injuring three. The Commission has commenced action on behalf of the passengers against First Air, Nav Canada and the Department of National Defense. Settlement negotiations with First Air were opened and a settlement for 6 of the worker fatalities was reached, total distribution to the WSCC is still being finalized. In regards to the pilots and flight crew the Commission commenced action against NAV Canada and the Department of National Defense. Financial implications are not yet known.

On December 13, 2008 a plane owned by Summit Air crashed near Cambridge Bay, NU resulting in injuries to twelve claimants. The Commission filed a statement of claim with the Nunavut Court of Justice for all twelve claims. The Commission has settled or discontinued due to lack of damages ten of the claims before December 31, 2013. The remaining two claims were settled in early 2014 for a total of $300 of which the Commission will receive approximately $120 in claims costs reimbursement.

In 2007, an Arctic Sunwest plane crashed resulting in extensive injuries to one worker. The Commission has proceeded with third party action against Arctic Sunwest for the injured worker. As of April 2013 the file reached the point where damage estimates can be prepared. The financial implications are not yet known.

In August 2009 a worker was killed in a helicopter crash. The Commission has proceeded with third party action against Wild Water Heli-Fishing and Barry Scott. Settlement negotiations are ongoing. The financial implications are not yet known.

In October 2011 a Cessna Caravan operated by Air Tindi crashed outside Lutselk'e, NT. There were two fatalities and two passengers injured, the injured passengers are not covered by the Commission. The Commission has proceeded with third party action against Air Tindi on behalf of the deceased passenger. The financial implications are not yet known.

In September 2010 a worker was injured in a motor vehicle accident. The Commission has filed a statement of claim with the Supreme Court of the Northwest Territories which was renewed in October 2013. The Commission has entered into settlement discussions with the insurer. The financial implications are not yet known.

On December 8, 2010, a worker was involved in a motor vehicle collision resulting in various injuries. The Commission commenced action against the other parties and discovery occurred in September 2013. The financial implications are not yet known.

On April 2, 2007, a worker was involved in a motor vehicle collision resulting in various injuries. The Commission commenced action against the driver and the owner of the other vehicle. The financial implications are not yet known.

In January 2013 a vehicle rented by North American Tungsten driven by a North American Tungsten employee and carrying their workers and Sodexo Inc, workers was involved in a motor vehicle accident. The Commission has commenced settlement discussions with the vehicle insurer on behalf of the Sodexo Inc. workers. The financial implications are not yet known.

In 2012 two workers were injured in a motor vehicle accident. In February 2014 settlement agreements were reached for $35 of which the Commission received $6 in claims costs reimbursement.

Due to the nature of the Commission's operations, various other legal matters are pending. In the opinion of management, these matters will not have a material effect on the Commission's financial position or results of operations.

15. Financial risk management

The Governance Council is responsible for reviewing and approving the Commission's investment policy and plan. The investment policy and plan outline the types and classes of investments the Commission may invest in and how the Commission plans to achieve its investment objective and manage its investment risk. The Commission manages the risk associated to its investments by maintaining a well-diversified portfolio and by engaging external investment managers with different investment styles and objectives. Generally, investments are held until market conditions provide a better investment opportunity. The Commission regularly reviews the performance of its investment portfolio against established industry benchmarks.

The Commission has exposure to the following financial risks from its use of financial instruments:

- Liquidity risk
- Credit risk
- Market risk
  - Interest rate risk
  - Foreign currency risk
  - Real estate risk

The Commission's exposure to these risks arises primarily in relation to its investment portfolio, but also in relation to its other financial assets and liabilities. The following sections present information about the Commission's exposure to each of the above risks and the Commission's objectives, policies and processes for measuring and managing its risks.

a) Liquidity risk

Liquidity risk is the risk that the Commission will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk is considered to be low. The Commission maintains deposits and short-term investments at banks to meet liquidity needs. At December 31, 2013, cash and cash equivalents was $7,630 or a ratio of 0.93 of short-term liabilities (2012 - $4,233 or 0.52).

December 31, 2013	1 year or less $	2-3 years $	4-5 years $	6 years or more $	Total $
Accounts payable, accrued and other liabilities	2,462	70	70	91	2,693
Salaries and wages payable	1,285	-	-	-	1,285
Assessments refundable	4,446	-	-	-	4,446
	8,193	70	70	91	8,424

December 31, 2012	1 year or less $	2-3 years $	4-5 years $	6 years or more $	Total $
Accounts payable, accrued and other liabilities	2,965	56	-	-	3,021
Salaries and wages payable	1,047	-	-	-	1,047
Assessments refundable	4,169	-	-	-	4,169
	8,181	56	-	-	8,237

b) Credit risk

Credit risk on financial instruments arises from the possibility that the customer or counterparty to an instrument fails to meet its obligations. In order to manage this risk, the Commission's investment policy requires that short-term investments at the time of purchase have a minimum credit rating of R-1(low) or its equivalent and that 90% or more of other fixed income investments have a minimum credit rating of A- or its equivalent. An independent rating service determines these ratings.

The Commission's exposure to credit risk associated with its other receivables and assessments receivable is the risk that an employer or a cost recovery customer will be unable to pay amounts due to the Commission. The maximum exposure to credit risk is $4,159 (2012 – $4,585). Allowances for doubtful accounts are provided for potential losses that have been incurred at the reporting date. The amounts disclosed on the statement of financial position are net of these allowances for doubtful accounts. All other receivables and assessments receivable are considered for impairment on a case-by-case basis when they are past due or when objective evidence is received that a customer will default. The Commission takes into consideration the customer's payment history, their credit worthiness and the then current economic environment in which the customer operates to assess impairment. The Commission recognizes a specific allowance for doubtful accounts when management considers that the expected recovery is less than the actual amount receivable. All bad debts are charged to administration and general expenses.

The Commission believes that the credit risk of other receivables and assessments receivable is mitigated by the following:

i. The employer base is dispersed across various industries, with government comprising a significant concentration.

ii. As at December 31, 2013, the majority of other receivables and assessments receivable are outstanding for less than 90 days. The Commission does not require collateral or other security from employers or customers for accounts receivable.

iii. The Commission has the power and remedies to enforce payment owing.

All of the Commission's other receivables and assessments receivable are reviewed for indicators of impairment on an annual basis.

The following table outlines the credit risk exposure for the Commission for each major class of fixed income investments as at December 31, 2013:

	R-1 (high)	R-1 (middle)	R-1 (low)	Total
	$	$	$	$
Short-term investments	3,987	1,141	203	5,331
Fixed income	1,693	799	-	2,492
Indexed bond funds	-	190	-	190
Total	5,680	2,130	203	8,013

	AAA	AA	A	BBB	Total
	$	$	$	$	$
Fixed income	12,690	19,265	6,407	255	38,617
Indexed bond funds	22,132	11,514	11,694	4,530	49,870
Total	34,822	30,779	18,101	4,785	88,487

The following table outlines the credit risk exposure for the Commission for each major class of fixed income investments as at December 31, 2012:

	R-1 (high)	R-1 (middle)	R-1 (low)	Total
	$	$	$	$
Short-term investments	2,345	179	152	2,676
Fixed income	2,000	464	-	2,464
Indexed bond funds	-	30	-	30
Total	4,345	673	152	5,170

	AAA $	AA $	A $	BBB $	Total $
Fixed income	19,216	14,456	7,327	467	41,466
Indexed bond funds	23,343	11,436	11,781	4,079	50,639
Total	42,559	25,892	19,108	4,546	92,105

c) Market risk

Market risk is the risk that the fair value or future cash flows of the Commission's financial instruments will fluctuate in the future because of price changes. The Commission invests in publicly traded fixed income and equity investments available on domestic and foreign exchanges and in privately held investments. Market risk is managed through diversification between different asset classes and geographic diversification and by limiting the concentration in any single entity to 5% or less of the fair value of the investment fund. The one exception to the 5% or less concentration rule is an investment in a Real Estate holding fund, Bentall Kennedy Prime Canadian Property Fund Ltd, at 13.97% (2012 – 14.42%) of the total fund. This fund is diversified by investment type and geographic location. The Governance Council is aware of this exception to its investment policy.

The Commission's investment target and actual asset mix at fair value December 31, 2013 is as follows:

	Target		Actual
	Maximum	Minimum	
Fixed income	45%	25%	**28.02%**
Canadian equities	21%	11%	**15.41%**
Real estate	20%	10%	**13.97%**
U.S. equities	19%	9%	**20.34%**
International equities	15%	5%	**11.64%**
Mortgages	15%	5%	**9.62%**
Cash and cash equivalents	5%	0%	**1.00%**

The Commission's investment target and actual asset mix at fair value December 31, 2012 is as follows:

	Target		Actual
	Maximum	Minimum	
Fixed income	45%	25%	32.36%
Canadian equities	21%	11%	14.08%
Real estate	20%	10%	14.42%
U.S. equities	19%	9%	14.90%
International equities	15%	5%	12.61%
Mortgages	15%	5%	10.60%
Cash and cash equivalents	5%	0%	1.03%

Equity investments are particularly sensitive to market risk. Because equities are recorded as held-for-trading, changes in their fair value from the movements in the markets have a significant impact on comprehensive income and reserve values. The following table is a sensitivity analysis that shows the impact of a change of 16-19%, depending on asset type, on the average market values of each portfolio, which equates to one standard deviation of the portfolio in the respective stock market index.

Portfolio	Index	Exposure December 31, 2013 $	Change one standard deviation	Change to comprehensive income 2013 $
Canadian equities	TSX 300	48,404	+18%	8,713
U.S. equities	Russell 3000	69,074	+17%	11,743
International equities	MSCI EAFE	33,201	+17%	5,644

Portfolio	Index	Exposure December 31, 2012 $	Change one standard deviation	Change to comprehensive loss 2012 $
Canadian equities	TSX 300	40,408	+18%	7,273
U.S. equities	Russell 3000	47,507	+16%	7,601
International equities	MSCI EAFE	32,011	+19%	6,082

d) Interest rate risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate in the future because of interest rate changes. The Commission is exposed to interest rate risk primarily through its investments in fixed income investments. Fluctuations in interest rates can affect the fair value of the fixed income investments, as well as shift investor preferences among asset classes. Interest rate risk is minimized by actively managing the duration of the fixed income investments as detailed in Note 5(a).

The following table provides a sensitivity analysis of the impact of a 1% change in nominal interest rates at December 31 assuming the change occurs evenly throughout the sector and all other variables remain constant.

	Movement in interest rates	Change to comprehensive income 2013 $
Change in nominal interest rates	1%	5,814

	Movement in interest rates	Change to comprehensive loss 2012 $
Change in nominal interest rates	1%	7,068

e) Foreign exchange risk

Foreign exchange risk is the risk that the value of financial assets and financial liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates relative to the Canadian dollar. The Commission has investments denominated in foreign currencies which are therefore exposed to currency risk. To mitigate this risk, investment managers are authorized to enter into forward foreign exchange contracts, which represent commitments to exchange two currencies at a specified future date based on a rate agreed to by both parties at the inception of the contract, for the sole purpose of hedging foreign currency transactions. The investment managers do not do this as a matter of general practice. There were no forward foreign exchange contracts outstanding at December 31, 2013 (2012 – nil).

The total amount of investments, at fair value, exposed to foreign currency risk is as follows:

Foreign country	Equity $	**Total Investments Fair Value 2013 $**	Total Investments Fair Value 2012 $
U.S.	69,074	69,074	47,507
United Kingdom	9,297	9,297	7,939
Europe	8,931	8,931	9,795
Japan	5,678	5,678	5,122
Switzerland	4,482	4,482	3,745
Hong Kong	1,195	1,195	1,089
China	996	996	1,217
Australia	897	897	992
Korea	498	498	576
Denmark	232	232	-
Taiwan	232	232	320
Israel	232	232	224
Sweden	199	199	-
India	166	166	-
Indonesia	100	100	96
Mexico	-	-	160
Subtotal	102,209	102,209	78,782
Canada – Fixed income	-	121,620	124,835
Canada – Equity	48,470	48,470	41,144
Canada – Real estate	-	44,217	41,251
Total	150,679	316,516	286,012

The following tables provide a sensitivity analysis that illustrates the impact of a 10% appreciation in the Canadian dollar relative to the four largest currencies the Commission is exposed to for the year ended December 31. This analysis assumes that all other variables remain constant.

Country	Exposure December 31, 2013 $	Change	Change to comprehensive income 2013 $
U.S.	69,074	+10%	(6,907)
United Kingdom	9,296	+10%	(930)
Europe	8,931	+10%	(893)
Japan	5,678	+10%	(568)

Country	Exposure December 31, 2012 $	Change	Change to comprehensive loss 2012 $
U.S.	47,507	+10%	(4,751)
Europe	9,795	+10%	(980)
United Kingdom	7,939	+10%	(794)
Japan	5,122	+10%	(512)

f) Real estate risk

Real estate risk arises from changes in real estate values related to local markets and vacancy rates. Real estate risk is managed through diversification across real estate types and locations. Adverse impacts in any segment of the market or geographic location are reduced by having holdings diversified across residential, commercial, industrial, and developmental markets.

The table below presents the estimated effect of a material adverse change in valuations of the investment in domestic real estate for the year ended December 31. This change to comprehensive income reflects a change in valuation of 14.5% (2012 – 13.6%), which, based on ten years of results, would be one standard deviation of valuation change.

Portfolio	Exposure December 31, 2013 $	Change	Change to comprehensive income 2013 $
Real Estate	44,217	+14.5%	6,411

Portfolio	Exposure December 31, 2012 $	Change	Change to comprehensive income 2012 $
Real Estate	41,251	+13.6%	5,775

16. Administration and general expenses

	2013	2012
	$	$
Salaries, wages and allowances (Note 11(b))	**12,571**	12,227
Professional services	**3,774**	2,961
Employer share of benefits	**2,846**	2,774
Amortization and depreciation	**1,148**	1,117
Office repairs and maintenance	**822**	675
Contributions to other organizations	**760**	729
Travel	**755**	828
Communications	**589**	623
Office lease payments	**504**	483
Advertising and public information	**442**	572
Office services and supplies	**437**	536
Office furniture and equipment (non-capital)	**293**	188
Training and development	**193**	234
Grants	**185**	214
Bad debt expense (recovery)	**83**	(9)
Recruitment	**82**	136
Honoraria and retainers	**67**	83
Loss on asset disposal	**30**	141
Miscellaneous	**2**	6
Recoveries	**(42)**	(22)
	25,541	24,496
Less: Allocation to claims management costs-current year injuries (Note 10(b))	**(2,368)**	(2,506)
Less: Allocation to claims management costs-prior years' injuries (Note 10(b))	**(5,477)**	(6,578)
	17,696	15,412

In 2013 management conducted a review of the administration and general expenses and determined that some amounts required reclassification into a new category or should be presented within a new category to ensure information presented met management's needs and to improve transparency. This resulted in the following changes for the year ended December 31, 2012:

	2012
	$
Employer share of benefits	**377**
Recoveries	**213**
Recruitment	**136**
Office lease payments	**(48)**
Office furniture and equipment (non-capital)	**(50)**
Advertising and public information	**(55)**
Travel	**(194)**
Office repairs and maintenance	**(379)**

17. Related party transactions

The Commission is related to all departments and territorial public agencies of the Governments of the Northwest Territories and Nunavut. The Commission enters into transactions with these entities in the normal

course of business. The following tables summarize the Commission's transactions:

Balances due from related parties included in assessments receivable and other receivables:

	December 31	
	2013	2012
	$	$
Government of Nunavut	**429**	708
Government of the Northwest Territories	**183**	502
Territorial public agencies	**20**	12
	632	1,222

Balances payable to related parties included in accounts payable, accrued and other liabilities and assessments refundable:

	December 31	
	2013	2012
	$	$
Territorial public agencies	**287**	114
Government of the Northwest Territories	**103**	205
Government of Nunavut	**46**	365
	436	684

Through Memoranda of Understanding with the Governments of the Northwest Territories and Nunavut, the Commission charges the governments for the costs of administering benefits related to Hunters and Trappers claims. These costs include the increase or decrease in the benefits liability related to Hunters and Trappers claims, therefore, a significant decrease in the benefits liability can result in a refund by the Commission to either Government. The amount due from related parties includes a receivable from the Government of the Nunavut for Hunters and Trappers claims for the year in the amount of $23 (2012 – $342 due to), and a receivable from the Government of the Northwest Territories for the year in the amount of $165 (2012 – $491).

Assessments revenue, at rates determined using the same method as with others, as well as recoveries for Hunters and Trappers, as described above, from related parties for the years ended December 31:

	2013	2012
	$	$
Government of the Northwest Territories	**3,499**	3,795
Government of Nunavut	**3,227**	2,723
Territorial public agencies	**1,585**	1,507
	8,311	8,025

Expenses to related parties for the years ended December 31:

	2013	2012
	$	$
Territorial public agencies	**1,331**	1,296
Government of Nunavut	**1,157**	843
Government of the Northwest Territories	**587**	1,267
	3,075	3,406

Investments in bonds of related parties at fair value:

	December 31	
	2013	2012
	$	$
Northwest Territories Power Corporation		
6.42% maturing December 18, 2032	**1,439**	1,615
5.95% maturing December 15, 2034	**1,205**	1,331
	2,644	2,946
Northwest Territories Legislative Assembly Building Society		
13.00% Series A, maturing August 31, 2013	**-**	49
	2,644	2,995

The Commission does not record the value of services provided in the normal course of operations without charge by the Governments of the Northwest Territories and Nunavut in these financial statements. The services provided without charge are not significant but include areas where the Commission follows government administrative policies and employment contracts. These services include training services, records management, and human resources support.

Compensation of key management personnel

	2013	2012
	$	$
Short-term employee benefits	**1,288**	1,190
Pension plan	**128**	155
Employee benefits – post employment benefits	**102**	95
Total compensation paid to key management personnel	**1,518**	1,440

Included in the post-employment benefits are employer contributions to the Plan.

The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel, which consists of the members of the Governance Council, the President, and the vice-presidents.

18. Fair value measurement

The Commission's financial instruments categorized according to their fair value hierarchy as described in Note 2(b), are as follows as at December 31, 2013:

	Level 1 $	Level 2 $	Level 3 $	Total $
Financial instruments measured at fair value:				
Equities	150,679	-	-	150,679
Fixed income	-	91,169	-	91,169
Real estate	-	44,217	-	44,217
Mortgages	30,451	-	-	30,451
Financial instruments for which fair value is disclosed:				
Cash and cash equivalents	7,630	-	-	7,630
Assessments receivable	-	3,329	-	3,329
Other receivables	-	830	-	830
Accounts payable, accrued and other liabilities	-	2,693	-	2,693
Salaries and wages payable	-	1,285	-	1,285
Assessments refundable	-	4,446	-	4,446
Total	**188,760**	**147,969**	-	**336,729**

The Commission's financial instruments categorized according to their fair value hierarchy as described in Note 2(b), are as follows as at December 31, 2012:

	Level 1 $	Level 2 $	Level 3 $	Total $
Financial instruments measured at fair value:				
Equities	119,926	-	-	119,926
Fixed income	-	94,599	-	94,599
Real estate	-	41,251	-	41,251
Mortgages	30,236	-	-	30,236
Financial instruments for which fair value is disclosed:				
Cash and cash equivalents	4,233	-	-	4,233
Assessments receivable	-	3,449	-	3,449
Other receivables	-	1,136	-	1,136
Accounts payable, accrued and other liabilities	-	3,021	-	3,021
Salaries and wages payable	-	1,047	-	1,047
Assessments refundable	-	4,169	-	4,169
Total	**154,395**	**148,672**	-	**303,067**

19. Comparative figures

The Commission has reclassified certain comparative figures within the statement of cash flows, the statement of changes in equity, the statement of financial position and the statement of comprehensive income to conform to the current year's presentation. The reclassification did not have an impact on the ending equity balance.

EXTERNAL REPORTS

WORKERS' ADVISOR OFFICE
2013 ANNUAL REPORT

MESSAGE FROM THE WORKERS' ADVISOR

It is my pleasure to present this annual report of the Workers' Advisor Office (WAO) for the year ending December 31, 2013. The Workers' Advisor is appointed by the Northwest Territories and Nunavut Ministers Responsible for the Workers' Safety and Compensation Commission (WSCC). The mandate of the WAO is to assist injured workers and their family members with their WSCC claim. This assistance ranges from explaining the WSCC process to representing clients at the various WSCC decision making levels.

The WAO functions as a necessary check and balance in the workers' compensation system by working to ensure that workers and dependants receive just and proper entitlements. By first focusing on collaboration and resolution, many claim issues are handled without formal review or appeal. This has a positive effect throughout the system, by promoting fairness and avoiding unnecessary delay and systemic cost.

The WAO has offices in Yellowknife and in Cambridge Bay. Our services are provided in French, English and Inuktitut. We provide a full range of services to claimants who have been injured in the Northwest Territories (NT) and Nunavut (NU). The Workers' Advisor and the Deputy Workers' Advisor in Cambridge Bay are trained professionals with many years of hands-on claims experience. They are mandated by the Governance Council (GC) to be independent and to only act in the interests of claimants. They conduct themselves respectfully at all times. The services are free – there is no fee – just good advice and advocacy.

In addition to working diligently with injured workers from the NWT and Nunavut, I serve as the treasurer of the Canadian Association of Workers' Advisors and Advocates (CAWAA). In September 2013, I attended CAWAA's annual meeting in Toronto, Ontario. This annual meeting and the monthly CAWAA telephone conferences throughout the year are excellent opportunities to exchange information with my counterparts from across the country. I also participated in 6 webinars with my CAWAA colleagues dealing with such issues as chronic pain and occupational disease. I have also had the opportunity this year to travel to some of the communities in the NWT and Nunavut to visit with injured workers and their families.

I have developed an excellent working relationship with WSCC staff and administration. These collaborative relationships have contributed in a positive way to working through the issues that present themselves when working with injured workers.

I greatly value the opportunity to assist injured workers and their families with their WSCC claims. I will no longer be in the role of Workers' Advisor as of December 31, 2013. However, the new WAO will continue to assist injured workers and their family members in pursuing the most equitable benefits to which they are entitled.

Debora Simpson
Workers' Advisor

MANDATE OF THE WORKERS' ADVISOR OFFICE

The sole function of the WAO is to advance the interests of injured workers or their dependants with respect to their entitlements under the *Act*. The WAO carries out this mandate by providing advice, assistance and advocacy services for injured workers or their dependants with respect to decisions that are under review or appeal.

SERVICES PROVIDED BY THE WORKERS' ADVISOR OFFICE

The WAO provides a range of services to injured workers and their families. These services include:

- Getting information from the WSCC for an injured worker,
- Helping injured workers to communicate more effectively with WSCC staff,
- Explaining the WSCC process and WSCC decisions to injured workers,
- Offering a clear explanation of the *Act* as well as WSCC policies & regulations,
- Advising injured workers on whether or not they have grounds to seek a review of a decision,
- Reviewing file evidence,
- Seeking additional evidence if it is required,
- Helping injured workers to prepare and present submissions to all WSCC decision making levels,
- Suggesting alternatives to filing a review or appeal,
- Representing injured workers at any formal hearings at the Review Committee (RC) or Appeals Tribunal (AT) level, and
- Referring clients to appropriate community services.

The WAO will assist any injured worker or their family members who contact the office seeking help or information about their claim. A client's first contact with the WAO may happen when the client's claim is at any stage of the WSCC process. Some clients contact the WAO before they complete claim forms, while others make contact just days before they are to appear before the Appeals Tribunal. Regardless of what stage a client's claim is at in the WSCC process, the WAO can help.

After discussing the client's concerns, a copy of the client's WSCC file is obtained and reviewed. At this point the WAO can advise the client of available options. Options may range from explaining what has happened and why specific decisions have been made to making representations on behalf of the client to a Case Manager, the RC or the AT.

If the WAO feels there are no statutory grounds on which to further a case, or there is a lack of appropriate medical evidence, further assistance can be refused.

WAO ACTIVITY STATISTICS

Total Contacts – 4,289

Contact with this office is made either in-person, by telephone, email, fax or letter. Approximately 41% of the clients who contact this office live in the NWT or Nunavut. The remainder have either relocated or returned to southern Canada. Contact is very rarely in person. Most clients prefer to make contact by telephone, even if they live in Yellowknife.

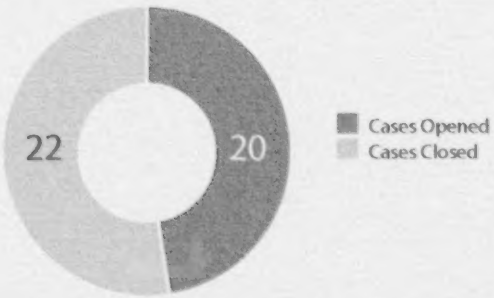
During 2013, the WAO had 4,289 contacts from both individuals and organizations. The majority of contacts were clients, or WSCC staff regarding claim issues. Additionally, the WAO had contact with worker's families, labour groups, employers, healthcare providers, the Minister, and other stakeholder groups. At the end of December 2013 there were 40 active cases.

Caseload

New Files - 20
During 2013, 20 new case files were opened.

Closed Files - 22
During 2013, 22 case files were closed. Closed files refer to client files for which all issues have been concluded or which the WAO has lost contact with the injured workers.

WAO Caseload



ISSUES ADDRESSED

Each client file addresses one or more of the following issues:

- General assistance
- Acceptance of claim
- Change in disability percentage
- Continuation of benefits
- Increase in amount of benefits
- Lump sum payment of pension
- Medical treatment requested by worker
- Vocation rehabilitation program

For each client file, there may be several individual issues for which the WAO may provide assistance. In 2013 the top 3 issues addressed were:

- General Assistance
- Acceptance of Claim
- Continuation of Benefits

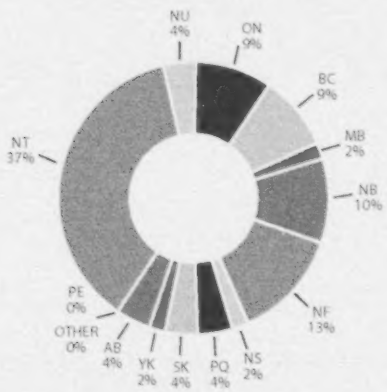
APPEALS

During 2013, the WAO represented 6 clients at the RC level and 1 client at the AT. At the RC level, 4 decisions were upheld, 2 were overturned. At the AT level, 1 decision was upheld.

PLACE OF RESIDENCE

59% of WAO clients reside outside of the NWT and Nunavut. 37% of WAO clients reside in the Northwest Territories and 4% of WAO clients reside in Nunavut. A breakdown of clients' place of residence is as follows:

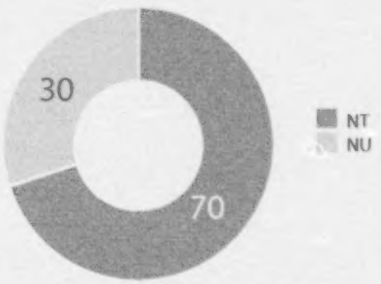
Place of Residence



PLACE OF INJURY

The graph below shows that 70% of the injuries reported to this office in 2013 happened in the Northwest Territories and 30% of the injuries reported to this office happened in Nunavut.

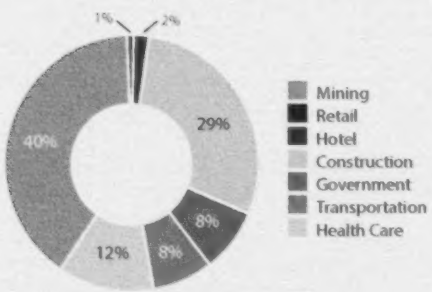
Place of Injury



EMPLOYMENT SECTOR

The graph below shows the percentage of WAO clients who reported to this office from each employment sector.

Employment Sector



TRENDS IN CLIENT BASE

- The percentage of clients (injured workers) who are employees in the construction and government sectors has increased from previous years. The percentage of clients (injured workers) who are employees in the mining and transportation sector has decreased from last year.
- The most common issue for which clients seek assistance from the WAO is "general assistance." Generally, this group of clients requires assistance to file a request for review or appeal or they need help understanding the process.
- Given that 59% of WAO clients live outside the North, the majority of communication with these clients is done by email and telephone.
- There is a decrease in the number of clients who reside in Nunavut and the NWT over last year.
- 70% percent of the clients who come through this office were injured in the NWT and 30% were injured in Nunavut. These numbers show a reduction in the number of accidents in Nunavut and an increase in the number of accidents in the NWT.
- All of the cases dealt with by the Deputy Workers' Advisor require assistance in Inuktitut. There are 4 – 5 cases per year that require assistance in Inuktitut.
- There were more clients in 2013 than in previous years requesting service in French.
- Files may be closed for the following reasons:
  - Appeals Tribunal decision
  - Review Committee decision
  - Claim accepted
  - Lump sum granted
  - PMI reviewed
  - Rehabilitation program provided
  - Worker request fulfilled
  - WAO declined to represent
  - File transferred to another representative
  - Lost contact with worker

SYSTEMIC ISSUE

Medical reasoning and policy rationale is sometimes not provided to the clients in a clear and simple fashion. This may lead to confusion, misunderstanding and anger on the part of the injured worker. Clear straightforward information on such issues as "degeneration" must be clearly communicated to injured workers.

CONTACT US

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867-979-5303 (Nunavut - Inuktitut)
1-866-727-3830 (Nunavut - Toll free)

Web:
workersadvisor.ca

NORTHWEST TERRITORIES AND NUNAVUT
Workers' Compensation Appeals Tribunal

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WORKERS' COMPENSATION APPEALS TRIBUNAL

ANNUAL REPORT 2013

APPEALS TRIBUNAL 2013 ANNUAL REPORT

The Northwest Territories & Nunavut Workers' Compensation Appeals Tribunal is an independent quasi-judicial tribunal, which hears appeals of decisions made by the Workers' Safety and Compensation Commission's Review Committee. Appeals are heard by one Tribunal Member, however a panel of three may be struck to hear an appeal.

The Tribunal may confirm, vary or reverse any decision of the WSCC's Review Committee. While the Tribunal may make its own procedural rules, it must follow and apply the *Workers' Compensation Act* of both the Northwest Territories and Nunavut.

In addition to hearing appeals, the Tribunal, under section 63 of the *Workers' Compensation Act* (the Act) is entrusted to hear applications from any party to a court action for a determination of whether a person is immune from action under the Act.

The Ministers from both the Northwest Territories and Nunavut, responsible for Workers' Safety & Compensation Commission, appoint Tribunal Members.

Tribunal Members

Colin Baile – Chairperson (Yellowknife)

Michael Chandler (Iqaluit)

Louis Sebert (Fort Smith)

Cayley Thomas (Yellowknife)

Joan Mercredi (Fort Smith)

Maria Jobse – Registrar/General Manager

The Appeals Tribunal

The Appeals Tribunal is mandated by the *Workers' Compensation Act* of both jurisdictions to hear appeals of decisions made by the Commission's Review Committee. Both Workers and Employers may file an appeal. The Tribunal may only hear matters for which the Review Committee has made a decision. The Tribunal is not part of the Commission, however does receive its funding from the Workers' Protection Fund.

The workers' compensation system provides compulsory, no-fault mutual insurance for workers and employers. One of the cornerstones of this system is the immunity from action. This means employers and workers cannot be sued as a result of a workplace accident. There are however very specific circumstances where such immunity may be challenged. The Tribunal hears such applications made under section 63 of the *Act*.

During this reporting period, there has been an increase in the number of appeals received and heard. During 2013, twice the number of appeals were filed compared to the previous year. Over the course of the past five years, the time required to hear appeals has been reduced by 50%.

Statistics

APPEALS	2008	2009	2010	2011	2012	2013
Appeals Received	14	13	14	13	7	16
Appeals for Rehearing	1	2	1	2	1	1
Total Received	15	15	15	15	8	17

ISSUES APPEALED	2008	2009	2010	2011	2012	2013
Claims	13	8	13	9	6	11
Pensions	2	6	2	4	0	4
Revenue/Employer	2	2	1	0	2	1
Rehabilitation	0	0	0	2	0	1
Total Received	17	16	16	15	8	16

TYPES OF HEARING	2008	2009	2010	2011	2012	2013
In-person	4	4	2	1	0	0
Video Conference	3	2	2	0	0	2
Telephone	2	6	2	4	5	3
Documentary	4	6	6	4	4	7
Total Hearings	13	18	12	9	9	12

DECISIONS ISSUED / OUTCOMES	2008	2009	2010	2011	2012	2013
Reversed	4	8	4	6	4	3
Upheld	4	12	7	10	5	5
Varied	1	1	0	0	1	2
Cancelled by Appellant	0	0	0	3	0	1
Total	9	21	11	19	10	10

Statistics

TYPES OF APPELLANT

	2008	2009	2010	2011	2012	2013
Workers	13	13	12	15	5	14
Employers	1	2	3	0	3	2
Dependent	1	0	0	0	0	1

APPEALS BY TERRITORY

	2008	2009	2010	2011	2012	2013
Northwest Territories	11	10	11	11	1	13
Nunavut	13	3	3	2	6	4

AVERAGE DAYS FROM FILING TO DECISION

Note: this time includes both that attributed to the activities of appellants as well as the Tribunal

	2008	2009	2010	2011	2012	2013
Average	380	298	187	181	176	131

OUTSTANDING APPEALS AT YEAR END

	2008	2009	2010	2011	2012	2013
Count	14	12	15	10	8	14

SECTION 63 APPLICATIONS

	2008	2009	2010	2011	2012	2013
Count	2	0	0	1	0	2

CONTACT INFORMATION

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Yellowknife, NT

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ANNUAL REPORT 2013

WSCC Workers' Safety & Compensation Commission | ᑲᖃᓐᓇᕐᑎᓂᒃ ᐱᒋᔭᐅᓂᖅ ᐊᑐᕐᓗᒍ ᐃᓄᐃᑦ

NORTHWEST TERRITORIES AND NUNAVUT